



## EUROPEAN NEWS

## Agreement grows on outline of EEC reform package

BY QUENTIN PEEL IN BRUSSELS

THE OUTLINE of an EEC reform package to be presented to Community leaders in 10 days' time — extending the powers of the European Parliament and setting new rules to speed up completion of the common market — is increasingly clear.

The common ground of agreements to the founding Treaty of Rome is gradually spreading following the latest meeting of foreign ministers in Brussels this week.

However, the entire package could still be vetoed at the last moment either by member states like Italy because it is too modest, or by others like Britain and Denmark because it goes too far in diluting national sovereignty.

The outcome to the extended reform debate launched by the EEC leaders at their Milan summit in June will be in the balance until the heads of government see the whole package on the table in Luxembourg on December 2.

Foreign ministers this week made substantial progress towards agreement on how to extend the powers of the European Parliament, although their plans fall far short of the ambitions of MEPs. They also succeeded in narrowing their differences on how far to extend majority voting on key questions of removing national barriers to the unified internal market.

## COMPANY CODE FOR SOUTH AFRICA STRENGTHENED

EUROPEAN COMPANIES working in South Africa are urged to recognise and encourage black trade unions in a newly strengthened code of conduct endorsed by EEC foreign ministers and their Spanish and Portuguese colleagues this week, writes Ivo Davyay in Brussels.

The code also calls on companies, their subsidiaries and affiliates, to make their annual reports on progress in implementing its provisions available to the public at large.

However, despite a number of changes which toughen the original 1977 requirements, the status of the code remains voluntary. The majority of the alterations represent a call for a more active role by companies in

encouraging black labour organisation.

Instead of, for example, proposing that union officials should be permitted to explain their goals, the code urges "as a matter of course" that this should take place.

Other changes include:

● Encouragement of recognition of black unions.

● A campaign to inform employees of their rights and the making available of the code of conduct in work places.

● Positive measures to help migrant workers lead a family life with regular renewal of contracts making it easier for families to settle near the place of employment.

● The adoption by all member states of a formula on

pay requiring as a minimum that employees are assured remuneration exceeding by at least 50 per cent their basic necessities to keep their families.

● New provisions against segregation and the encouragement of blacks to take up training programmes.

● Moves to encourage the setting up of black businesses through sub-contracting.

EEC member states have agreed to consult regularly on the code and to maximise its enforcement through their missions in South Africa. The presidency of the Council of Foreign Ministers is required under the agreement to submit an annual report on its progress to the European Parliament and the EEC's Economic and Social Committee.

institutionalised along the French lines.

The deal for the European Parliament suggests a bigger role for both the directly-elected MEPs and the European Commission, which leads the last word on EEC legislation in the hands of the member states' Council of Ministers.

Initiatives will still come from the Commission, on which the Parliament will be required to give an opinion as at present. The Council will then reach a common position by majority vote.

The proposal then returns to the Parliament for a second reading, during which amendments can be approved. It will be up to the Commission to decide whether to support the MEPs' proposals — risking the wrath of the Parliament if it ignores them.

If both Parliament and the Commission agree on particular changes, then the Council at its second reading will only be able to reject them by voting unanimously, according to the latest proposals. It can accept them by a majority vote.

Tax matters will remain unanimous, and questions of frontiers controls for crime and drugs a subject for separate agreements. But Britain is determined that anything affecting animal or plant health must be protected by unanimity; and West Germany wants protection for its higher standards on matters like environmental protection and safety at work.

author of the draft Treaty of

European Union produced by

the assembly, as leaving them

no more than "a consultative body."

It also undoubtedly extends

the decision-making process

although deadlines are likely to

be written in for each stage

and leaves the continuing possi-

bility of deadlock if the Council

fails to say either yes or no at

the end of the process.

Wider differences remain on

how to change the decision-

making processes of the Council

of Ministers itself, to increase

the use of majority voting and

reduce the need for unanimity.

The outline of a deal is clear,

however.

Most member states can agree

on the common market means as a

"unified market without an

internal frontier to ensure the

free circulation of goods,

services and capital."

The real debate concerns what sub-

jects should be excluded from

a general provision for majority

voting.

Tax matters will remain

unanimous, and questions of

frontiers controls for crime and

drugs a subject for separate

agreements. But Britain is

determined that anything affect-

ing animal or plant health must

be protected by unanimity; and

West Germany wants protection

for its higher standards on

matters like environmental pro-

tection and safety at work.

A Moscow woman reads a copy of *Pravda* which yesterday carried its first front-page pictures of President Ronald Reagan. They showed him and Mr Mikhail Gorbachev at their summit in Geneva alongside low-key articles which dropped earlier strident attacks on the US. The other national dailies also published a picture of the two leaders on their front pages. One elderly Muscovite, interviewed on their front pages, said: "I can't judge from their faces that things are going well."

## Growth in OECD states key to debt crisis, says report

BY DAVID MARSH IN PARIS

THE DEBT problems of developing countries look likely to worsen unless the industrialised countries economies grow by at least 3 per cent a year over the rest of the decade, the Organisation for Economic Co-operation and Development has warned.

In a confidential report prepared for member governments of the 24-nation body, the OECD secretariat points to the dangers which this year's slowdown in world economic growth poses for the solvency of the big Third World borrowers in Latin America and south east Asia.

The report, circulated among officials attending last week's meeting here of the OECD's Working Party Three on balance of payments problems, underlines that the expansion of exports by developing countries offers the only chance of a durable solution to the debt crisis.

It does not spell out directly the policy consequences for steering the world economy of the need to maintain growth in

the 24-nation area will be about 2.75 per cent, down from nearly 5 per cent last year, and less than the 3.25 per cent forecast for this summer.

This reflects mainly a slackening in US expansion. Next year, it predicts that growth will pick up again slightly to an overall rate of about 3 per cent.

However, the report does lend ammunition to the views of international monetary officials who are arguing that West Germany, in particular, should take action to stimulate its economy to compensate for the ebbing of growth in the US. The OECD believes that US growth will be about 3 per cent next year, below the Administration's forecast of 4 per cent.

The economic policy committee of the OECD, which met after the Working Party Three

session at the end of last week, concluded that individual countries carry out tax cuts to boost demand.

Although the committee did not name specific countries, West Germany and Japan are thought to be particularly able to give the economy a fiscal stimulus through measures to cut tax burdens on companies to boost job creating investment.

The OECD's report on Third World debt drew attention to the problem of rising ratios of debt to exports this year of the most heavily indebted borrowers. It gave broad backing to the initiative proposed by Mr James Baker, the US Treasury Secretary, of increasing private bank lending to 15 per cent of gross national product by \$206bn over the next three years, backed by equivalent lending

by the international development agencies.

International monetary officials, however, term this a "minimal" response to assuring that the borrowers can continue to service interest payments on their debt.

The organisation is concerned above all about the impact of this year's slackening of world trade. The International Monetary Fund, which shares the OECD's broad worry over the link between industrialised country growth and the debt problem, forecasts that it will grow by only about 3 per cent in volume this year, against 8.5 per cent last year.

In the background to the OECD report is the concern of international monetary officials that world economic imbalances flowing from the current account deficit of the US are

dampening chances for a speedy solution to the debt problem.

The OECD forecasts that the US current account deficit will remain at about \$150bn a year for the next two years, above this year's likely figure of around \$130bn. The US need to attract capital inflows to finance these deficits is seen as keeping interest rates high. It also lowers US banks' readiness to make new loan commitments to developing countries.

Any further fall in the dollar next year could lower the overall debt service burden on developing countries since most of their debt is denominated in the US currency, officials say. However, there is also a worry that a sharp fall in the dollar could dampen the export-led economic recovery in Europe, especially in West Germany.

In the event of a bank collapsing, the fund will repay customers 100 per cent up to £200m (£79,000) deposited, 90 per cent from there to £1bn, then 80 per cent from £1bn to the guarantee ceiling of £5bn.

Bankers agreed to put aside an annual 1 per cent of customer deposits and cash investments under a mechanism which will allow the larger banks to reduce this proportion slightly.

Savings banks belonging to ABI will not participate as they already have a similar guarantee fund.

In the event of a bank collapsing, the fund will repay customers 100 per cent up to £200m (£79,000) deposited, 90 per cent from there to £1bn, then 80 per cent from £1bn to the guarantee ceiling of £5bn.

Bankers agreed to put aside an annual 1 per cent of customer deposits and cash investments under a mechanism which will allow the larger banks to reduce this proportion slightly.

THE FRENCH Government yesterday announced controversial legislation aimed at encouraging greater work sharing and more flexible work practices within French industry.

The draft law approved by the Cabinet yesterday at its weekly meeting is opposed by two of the major trade unions and by the French employers' federation.

The Government has, however, decided to push ahead with it in the hope of prodding both sides of industry into obtaining fiscal concessions relating to the fund and pending approval of the statute by Italian monetary authorities.

It is opposed to this cut in the legal working week, as well as putting up industry's costs.

The law would also provide for greater flexibility on overtime pay and days off to compensate for overtime. But the Government has dropped a clause which would have lifted restrictions on Sunday working.

In practice, the bill is an attempt to find a compromise between the varying pressures which face the Government. The Communists' CGT union and the militant blue-collar FO union are opposed to the changes as sacrificing gains that unions fought hard to win.

The pro-Socialist CRDT union believes that the new law risks putting up industry's costs. It also clearly hopes that if a right-wing Government comes to power in March, it will put through changes in work practices and redundancy regulations far more favourable to industry.

## West signs rescheduling accord with Poles

BY DAVID BUCHAN

WESTERN CREDITOR governments have agreed this week to reschedule over the next 10 years the \$1.3bn-\$1.4bn in capital and interest which Poland is estimated to owe them this year.

Thus, for the first time in four years Poland will now in theory be without unrescheduled arrears on its official debt to its major western government creditors. These will have a powerful say on the Warsaw government's application to join the International Monetary Fund, likely to be decided sometime next year.

However, some Western officials doubt whether Poland will yet be able to live up to the terms of the accord it signed in July rescheduling some \$12bn

led to a long hiatus in rescheduling negotiations with western governments though not with commercial banks.

The multilateral accord on official debt, which must be given practical effect in bilateral agreements with individual Western governments, came on Tuesday in Paris. Western officials met Mr Zbigniew Karcz, head of the Polish Finance Ministry's international department and satisfied themselves that Poland was up to date in paying arrears owing from 1981.

Mr Karcz was quoted in the local press as saying that Western government resistance to granting fresh credit was "not only of political character." This was an apparent reference to the fact that while some gov-

ernments, notably the US, may still be tying the issue of new credit to internal Polish political conditions, most are reluctant to grant new loans while they are unsure that Poland can fully meet rescheduling terms of old credits. Poland has asked for \$800m in new money to refinance its ailing economy, but so far only Austria has provided \$40m.

The Hungarian Government, in a bid to curb a growing budget deficit and wage demands by workers, has announced an increase in company profits tax from 35 to 40 per cent and a punitive 500 per cent tax on companies granting pay settlements in excess of 10 per cent a year.

● The Hungarian Government, in a bid to curb a growing budget deficit and wage demands by workers, has announced an increase in company profits tax from 35 to 40 per cent and a punitive 500 per cent tax on companies granting pay settlements in excess of 10 per cent a year.

● Italy's state-owned energy corporation, ENI, is opposing a scheme to produce ethanol from surplus grain in the EEC, arguing that this would exacerbate rather than solve the problem of farm surpluses.

## Deadly?

Isn't it evident?

Common sense dictates that, if you don't know the facts, you'd better off asking somebody who does.

The issue is knowledge. The capacity to know what to look for. This is one of the most important needs in banking today.

Discriminating clients expect advice and solutions to have solid foundations. That's why an increasing number of private and institutional investors all over the world have turned to Bank Vontobel. We are informed.

In sixty years, Bank Vontobel has evolved from a small Swiss brokerage house to an internationally recognized bank. Members of the Zurich Stock Exchange, we are respected beyond our size for our healthy spirit of enterprise, professionalism, and, for our sense of commitment to our clients.

With a time tested bias for action, we confidently offer a full range of financial services, from portfolio management, investment counselling to trading in securities, foreign exchange, precious metals. For people who appreciate the reassuring feel of Swiss perfection at work for them.

## BANK VONTOBEL

Zürich

The professionals with the personal touch.

Bank J. Vontobel & Co. Ltd., Bahnhofstrasse 3, CH-8022 Zürich, Switzerland. Tel. 01 288-1111  
Vontobel USA Inc., 450 Park Avenue, New York, NY 10022, USA

## Nimble Harrier shows off for Italy

By James Burton, recently aboard HMS Invincible

ITALIAN politicians, industrialists and the top brass of the navy have been battling across the grey waters of the Mediterranean for the past two days for flying visits to the British carrier and submarine carrier HMS Invincible. Invincible is carrying out a delicate military-industrial mission. Its aim is to help along the process by which Italy might eventually buy British Aerospace's Sea Harrier aircraft for its navy.

It is a sensitive issue. The Italian navy recently commissioned the Giuseppe Garibaldi, an anti-submarine carrier rather smaller than Invincible, but, like the British ship, equipped with a 'ski-jump' for vertical and short take-off aircraft.

She does not carry such aircraft, however, because the navy is forbidden to operate fixed wing aircraft under a law of 1922.

After years of lobbying and in the face of furious opposition from the air force, desperate to lose its monopoly, the navy recently persuaded Mr Giovanni Spadolini, the Defence Minister, to present a Bill to Parliament which would allow the navy to create its own aircraft carrier.

The most optimistic estimate is that Parliament may approve the law sometime next year. If that happens, the navy will then have to persuade the Government to let it buy the Sea Harrier, which it prefers to the more expensive and less suitable US derivative — the McDonnell Douglas AV-8B. Depending on how many aircraft are ordered — a number of up to 18 is mentioned — the contract could be worth £250m.

At this stage a hard sell is on of the question. But there is no harm in showing the Italian authorities what the Sea Harrier is like, and how a fully-fledged anti-submarine carrier operates.

The first party of nearly 40 people, some in uniform, most in heavy overcoats, took off on a damp Monday morning in four Italian navy helicopters from a semi-derelict airfield in the suburbs of Rome and touched down about an hour later on the reassuringly solid deck of Invincible, somewhere off the coast of Porto Ercole.

First, they were briefed in impeccable Italian by Lt Enrico Hugo, a naval Navy reservist who is also manager of the Barclays Bank branch in Milan.

Then, in their guided tours of the ship's command centre and other crucial points by elegantly mannered naval officers, they watched Sea Harriers take off from the ski-jump, hit targets in the sea with their guns and display — just a few yards from the audience — their ability not just to land and take off vertically but to stop in mid-air and even fly backwards.

Helicopters, meanwhile, practised anti-submarine operations. "Even we know how to do that," commented Admiral Mario Porta, commander in chief of the Italian Navy.

"Until you actually see a Harrier wif, you don't realize what an amazing aircraft it is," Hugh Malin commented. Beneath their inscrutable expressions there was a hint that the Italians had appreciated that, too.

## Danes swing left

A left-wing group, the Socialist People's Party, has made big gains in local elections across Denmark, but the Conservatives of Prime Minister Poul Schlüter also advanced, results showed yesterday. Reuter reports from Copenhagen.

## Weather wreaks havoc on output in Eastern Europe

By LESLIE COLITT IN BERLIN

PLUNGING temperatures, heavy snowfalls and the effects of a summer drought are wreaking havoc on transport and production in Eastern Europe. The region's planned economies have still not recovered from the serious damage done by the bitter cold this year.

Road and rail transport from East Germany to Romania were severely disrupted by the snow and sub-zero cold which set in early this week. Barge traffic on the important East European waterways of the Elbe, Oder and Danube have virtually come to a halt because of their low water levels.

Less than a third of the normal amount of bulk cargo is being handled by the port of Bratislava on the Danube. The water depth is under 90 cm there for the first time in decades. Coal and ore cargoes which were shifted to the railways have been stranded in snowdrifts.

Snowstorms in Poland and extreme cold disrupted power production and led to massive traffic delays and power output shortfalls. Romania, which only last month proclaimed a state of emergency in the power

## Industrialists' group to study defence capacity in Europe

BY BRIDGET BLOOM IN LONDON

A COMMITTEE of senior industrialists commissioned by 13 West European governments to 'assess the potential for greater rationalisation of European defence industrial capacity' is expected to have its first meeting at the end of its month.

The independent study of Europe's defence industries is the first of its kind. Up to a dozen senior industrialists will be involved. Although the full list has not been published, it is understood that they will include Mr Bernard Verner Paliéz, a former chairman of Renault and former French ambassador to Washington; Dr Bernard Schmidt, chairman of West Germany's Dornier group; and Sir Arnold Hall, chairman of Hawker Siddeley of the UK.

The team has yet to choose a chairman and establish the way it will work. Its first, and possibly most delicate, task will be to define precisely its terms of reference.

European defence ministers meeting a year ago in the revised Independent European Programme Group (IEPG) agreed to commission the study as a foundation for achieving their declared aim of boosting collaborative production of armaments in Europe. The 13 members of IEPG are Bel-

gium, Denmark, France, West Germany, Greece, Italy, Luxembourg, Norway, Portugal, Spain, Turkey, the UK and the Netherlands.

As the study has come closer to fruition, ministers have become more nervous about spelling out the implications of any rationalisation policy as foreseen in the communiqué at last year's meeting in The Hague.

The question is sensitive not only because recommendations to rationalise sectors of defence industry could mean that some would be found redundant but also because any attempt to produce a stronger defence industry within Europe could be interpreted within Nato as being anti-American.

Europe's defence equipment purchases from the US outweigh its sales by more than three to one. Mr Michael Bessell, the British Defence Secretary, who has played an important role in setting the study off the ground, has offered the group a small British secretariat. It is understood that each member state of IEPG will make some financial contribution towards its costs, though its members are seen as independent, rather than representatives of their governments. The group is expected to report by the end of next year.

## US concern on telecom standards

By David March in Paris

THE US has voiced its concern that European plans for common standards for sophisticated new telecommunications networks could exclude American companies from participating in growing European markets.

Mr Mark Fowler, chairman of the US Federal Communications Commission, also said yesterday that any European moves to lower internal trade barriers but to mount obstacles to US companies would ultimately lower the efficiency of European telecommunications and work against the interests of users.

He was attending a meeting of government and industry officials concerned with telecommunications at the Organisation for Economic Co-operation and Development. He said he was worried that European countries linked in the 28-nation CEPT group of posts and telecommunications authorities were going ahead with plans for advanced networks which could cut off access to Europe for US companies in areas like terminals.

The CEPT countries, in a move backed particularly by the French Government, are drawing up plans for common technical standards and definitions for integrated services digital networks providing voice, image and data communications.

Mr Fowler said the US preferred to work through the Geneva-based International Telecommunications Union, linking industrialised and developing nations as the way to draw up harmonised world standards. Otherwise, European countries risked splitting off on their own.

US officials say the CEPT approach to new telecommunications standards is "inward-looking" and that European industrialists may be moving towards building advanced telecommunications systems from which US companies in areas like software would be excluded.

The root of the debate are the fears of European governments and industrialists, led by the French, about the consequences of allowing untrammelled access to European electronics markets of US multinationals like IBM and American Telephone and Telegraph.

## Weather wreaks havoc on output in Eastern Europe

By LESLIE COLITT IN BERLIN

PLUNGING temperatures, heavy snowfalls and the effects of a summer drought are wreaking havoc on transport and production in Eastern Europe. The region's planned economies have still not recovered from the serious damage done by the bitter cold this year.

Road and rail transport from East Germany to Romania were severely disrupted by the snow and sub-zero cold which set in early this week. Barge traffic on the important East European waterways of the Elbe, Oder and Danube have virtually come to a halt because of their low water levels.

Less than a third of the normal amount of bulk cargo is being handled by the port of Bratislava on the Danube. The water depth is under 90 cm there for the first time in decades. Coal and ore cargoes which were shifted to the railways have been stranded in snowdrifts.

Snowstorms in Poland and extreme cold disrupted power production and led to massive traffic delays and power output shortfalls. Romania, which only last month proclaimed a state of emergency in the power

## EUROPEAN NEWS

Hilary Barnes looks at Norway's foreign and defence policies

## Where consensus still rules

NORWEGIAN FOREIGN and defence policies are usually conducted on the basis of party-political consensus in the Storting (parliament). On the fundamental issues — membership of Nato, non-membership of the EEC, support for Nordic co-operation and for a strong defence — the consensus still rules.

This is particularly true of the agreement between the present coalition Government and the Labour opposition in the need for strong defence.

Norway is one of the very few Nato countries that has stuck to the 1978 Nato decision calling for an annual increase in real defence spending of 3 per cent a year.

This can be seen against Norway's position as "a front-line state" with a common frontier with the Soviet Union, and the build up of Soviet naval power in the North Atlantic.

Over the past 25 years the Soviet navy has gradually shifted the Soviet line of defence further west, threatening the supply lines to Scandinavia from the UK and the US and raising the prospect that in a war Norway would find itself between the Soviet line.

It has to be assumed that in this situation Soviet generals would want to occupy Norwegian air bases, as this would enable them to operate aircraft cover for naval units from bases 500 or 600 km further west from the Kola peninsula, according to Nato.

But Nato has always maintained

a dual commitment to defence and dialogue. In the aftermath of the

Nato 1979 dual track decision (to negotiate for arms limitation agreements but to deploy new medium-range nuclear missiles in Europe if the Soviet Union did not respond) and the accession of President Reagan in 1981, the Norwegian consensus has been ruffled by some serious disagreements over the issues of arms control and disarmament.

The differences — which were differences within the Labour Party and within the coalition bloc, as well as between the coalition bloc and Labour — have been kept under control by the party leaders on both sides. But the differences could still spell parliamentary trouble ahead for the present government.

History will show that it was the Americans who changed their position, not us," said Mr Frydenlund.

Labour's opposition to President Reagan's Star Wars programme — its position is that it is against research "leading to" deployment — and its support last year for a Mexican-Swedish resolution at the United Nations calling for a freeze on nuclear arsenals, has offered other subjects of controversy.

On a fourth issue, support for the establishment of a Nordic nuclear-free zone with super-power guarantees, which is seen in Nato circles as being in conflict with Nato's fundamental strategy of nuclear deterrence, the Government and Labour have buried the hatchet by agreeing to examine the idea jointly.

The idea is in any event seen by

in time of peace and is therefore not directly affected by the decision.

The coalition supported the decision, but Labour, which signed the 1979 dual track decision when in office, opposed it, thus, according to the Government, reneging on the commitments it had made when in office.

Labour rejects this interpretation and argues that it was the US that failed to take the commitment to negotiate seriously enough. Mr Frydenlund said that the US and the Soviet Union were so close to agreement in Geneva that it should not have been necessary to proceed with the deployment of medium-range weapons.

"History will show that it was the Americans who changed their position, not us," said Mr Frydenlund.

Labour's opposition to President Reagan's Star Wars programme — its position is that it is against research "leading to" deployment — and its support last year for a Mexican-Swedish resolution at the United Nations calling for a freeze on nuclear arsenals, has offered other subjects of controversy.

On a fourth issue, support for the establishment of a Nordic nuclear-free zone with super-power guarantees, which is seen in Nato circles as being in conflict with Nato's fundamental strategy of nuclear deterrence, the Government and Labour have buried the hatchet by agreeing to examine the idea jointly.

The idea is in any event seen by

Labour as practicable only as part of a settlement in a wider European context and with the agreement of Nato and the Warsaw Pact.

Prime Minister Kåre Willoch's Government survived a couple of narrow votes in the last Storting on Star Wars and the freeze issues, on which dissidents in the coalition Centre and Christian People's parties voted with Labour. Similar situations could arise in the present

Parliament.

Labour rejects this interpretation

and argues that it was the US that failed to take the commitment to negotiate seriously enough. Mr Frydenlund said that the US and the Soviet Union were so close to agreement in Geneva that it should not have been necessary to proceed with the deployment of medium-range weapons.

"History will show that it was the Americans who changed their position, not us," said Mr Frydenlund.

Labour's opposition to President

Reagan's Star Wars programme — its position is that it is against research "leading to" deployment — and its support last year for a Mexican-Swedish resolution at the United Nations calling for a freeze on nuclear arsenals, has offered other subjects of controversy.

On a fourth issue, support for the establishment of a Nordic nuclear-free zone with super-power guarantees, which is seen in Nato circles as being in conflict with Nato's fundamental strategy of nuclear deterrence, the Government and Labour have buried the hatchet by agreeing to examine the idea jointly.

The idea is in any event seen by

## Athens riot cost put at Dr 800m

Athens Polytechnic, where left-wing youths ended an occupation on Tuesday night, reopened yesterday as the city authorities assessed damage from the most serious rioting in Athens since the Socialist came to power in 1981. Reuter reports from Athens.

Damage to banks and shops in the centre of Athens, where the youths smashed windows, hit fires and petrol bombs, has been estimated at Dr 800m (£3.6m). The riots were triggered by the police shooting of a 15-year-old boy on Sunday.

### Age of consent

Dutch Justice Minister Frits Korthals Altes is considering withdrawing a government proposal to lower the age of sexual consent from 16 to 12. AP reports from The Hague. The proposal drew widespread opposition.

### Aids 'cure' warning

The French Academy of Medicine yesterday warned against raising false hopes about experimental treatments for Aids. AP reports from Paris. Its statement was an implicit criticism of a French medical team which claimed "spectacular results" in Aids patients treated with the drug cyclosporine.

## A man working by himself.



## A man working with 35 other people.



The lead on the right of this picture is linked to something rather ingenious called the IBM System/36. Which in turn can be linked to 35 people if you like, or as few as 2.

And everyone who is plugged into the System/36 has access to a common pool of information, which is constantly being updated.

That doesn't mean everyone has to work on a standard program. On the contrary, System/36 can do precisely what each individual member of the team wants it to do.

So while an order clerk can be keeping track of stock levels, the managing director can be analysing this quarter's business trends — and someone else's secretary can be using the very same information in a document she is word

processing. Altogether there are three models of System/36 available, each with a range of options. We, or your IBM agent, will help you select the right one for your needs.

And with over 2,000 programs already

written it's more likely that several of them

will suit your business needs.

With System/36, you'll find that people can

start to work as a team, and make better informed

decisions. And of course, if you already have IBM

Personal Computers, System/36 can give them even more power and flexibility.

But what if you haven't got a computer at

all? You'll still find it useful to come to one of our

seminars because they'll demonstrate how your

business can become more efficient.

For the next two months, we're offering free places on a seminar in your area.

Ring Claire Mason on 01-995 7700 or fill in the coupon now to reserve your seat.

I wish to attend a seminar in my region.

Name: \_\_\_\_\_

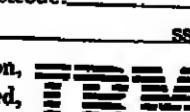
Title: \_\_\_\_\_

Company Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Company Tel. No. \_\_\_\_\_

Please return to: Claire Mason, IBM United Kingdom Limited, FREEPOST London W4 5BR.



# The power of apricot XEN.

The Apricot XEN is the juiciest, most sophisticated business supermicro available.

Whichever way you look at it - speed, power, versatility, looks, price - no other micro can touch it.

Thanks to the way we use our Intel 80286 processor, it's 60% faster than anything our biggest competitor has to offer. It's also four times faster than the others in its price range.

Furthermore, it's half their size as well as a fraction of their price.

All of which adds up to an incredibly fruitful sum of parts. But then you would expect that from Apricot.

Part of the Apricot XEN's appeal is its modular design, enabling you to design it to fit your needs exactly.

Free with every XEN is a large package of software including Microsoft's latest stroke of genius, MS-Windows.

This allows you to multi-task, doing your word-processing while your Apricot simultaneously busies itself with your accounts.

This all happens with easy to use drop-down menus, icons and windows; hence the software's name.

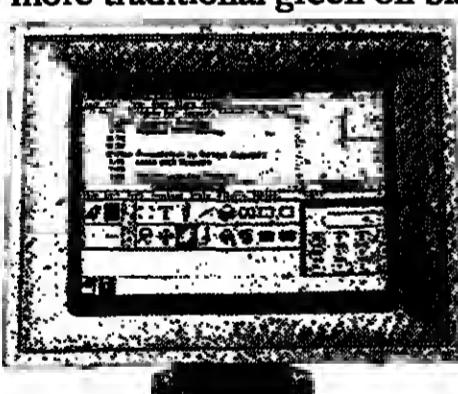
Consistent with every other computer in our range, the Apricot XEN is compatible and networkable with all our other models.

It also enjoys the benefits of the Apricot software library, the largest published in the UK.

#### Our powerful choice of monitors is clearly better.

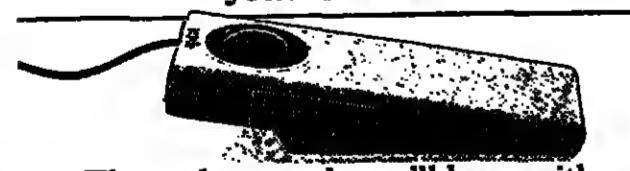
Apricot XEN has three monitors for you to choose from.

The high-resolution mono displays include the extraordinary clarity of our paper-white screen as well as the more traditional green on black.



Our colour monitor lets you choose from a palette of up to 16 colours.

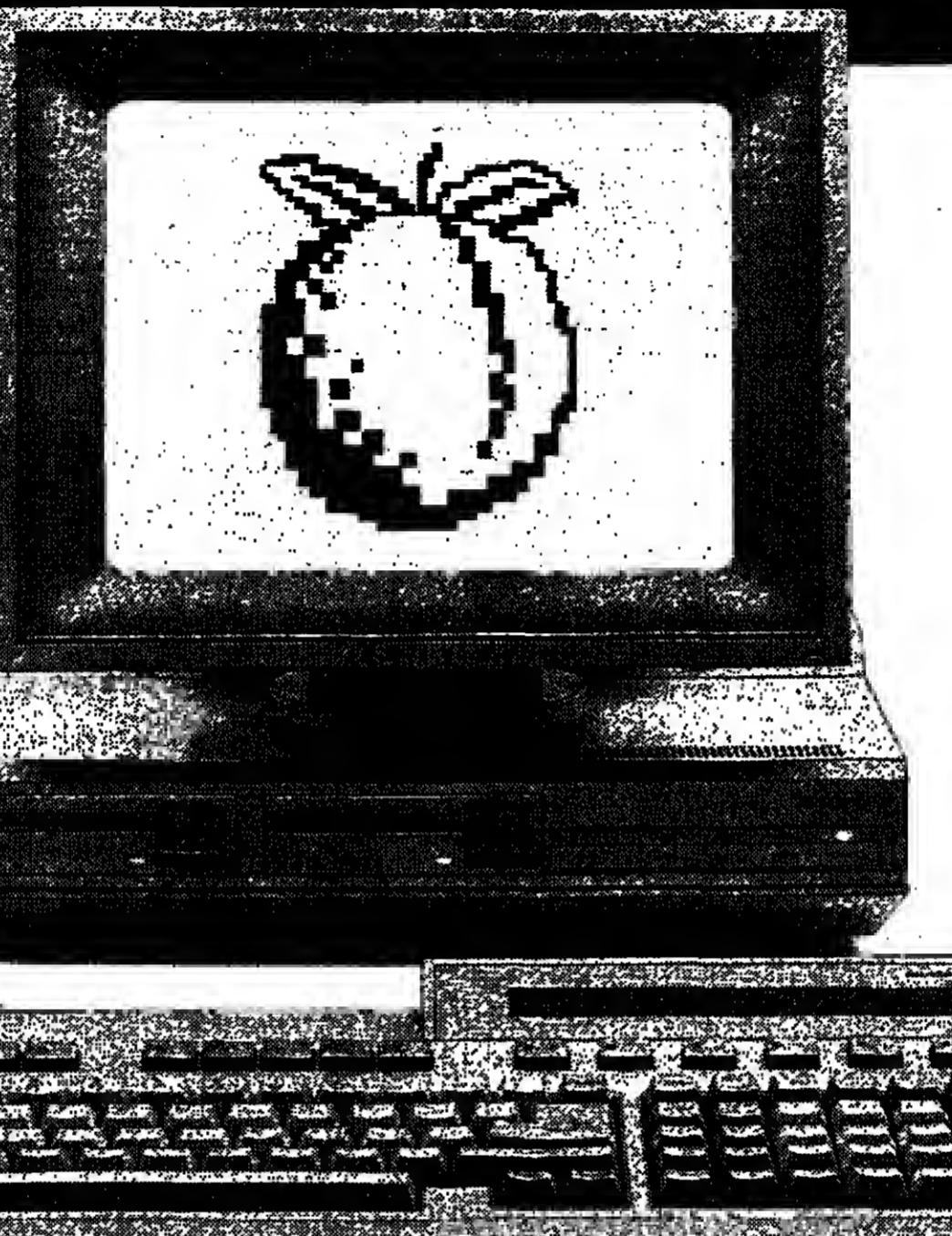
A Mouse with the power to make your life easier.



The only squeak you'll hear with our optional Mouse is one of pleasure from the user.

512K RAM, TWIN 720K DISKS (1,440K), INTEL 80286 PROCESSOR, GREEN MONITOR\*

£2,490. (EXCL. VAT)



Using MS-Windows, even complex commands can be activated by simply spinning the trackball on the Mouse to move or select data and software.

#### XEN-COM.† The power to communicate.

We not only handle your telephone and electronic mail but also put you in touch with up-to-the-minute international statistics at the touch of a button.



#### 102 keys to power.

Both the fastest touch typist and the occasional user will find our keyboard a pleasure to use.



Included amongst the 102 keys are ten function keys and another six dedicated to the Apricot MicroScreen.

This integral display helps you use your software more efficiently as well as doubling up as a calendar, clock and calculator.

#### The power to expand.

Few micros can compete with the storage and expansion capabilities of Apricot XEN.

Two basic configurations are offered including an integral 20Mb Winchester drive within the systems box which can be upgraded to include a second 20Mb Winchester giving a truly gargantuan storage capacity of 40 Megabytes.



An easily removed cover reveals six expansion slots. These can be used to expand the memory up to a massive 5Mb or for an internal modem or network card.

#### The power to drive 5.25" disks.

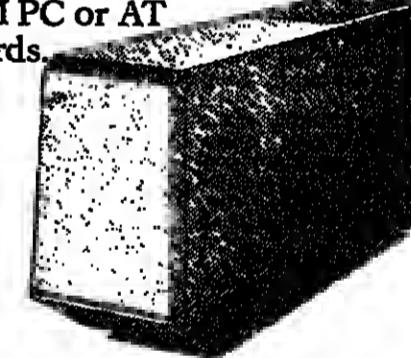
The Apricot XEN not only runs the advanced 3.5" disk but also offers the option of an add-on 5.25" drive.†



This enables you to easily accept data from your old IBM disks.

#### The power to take IBM on board.

Apricot's XP Expansion System simply plugs into the XEN's systems unit, enabling it to talk directly to IBM PC or AT boards.



To find out more fill in the coupon or call us on Freefone Apricot (via the operator) and we'll send you a free brochure.

You'll then fully appreciate why we're the cream of the crop.

Please send me your free information package on the Apricot XEN. To: Apricot UK Limited, FREEPOST, Halesowen, West Midlands B63 1BR.

NAME \_\_\_\_\_

POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TEL \_\_\_\_\_

 apricot XEN

# The only alternative is to pay more for less.

## OVERSEAS NEWS

**18 killed as hardline Malaysian Moslems clash with police**

BY WONG SULONG IN KUALA LUMPUR

EIGHTEEN PEOPLE, including four policemen, have been killed in fierce fighting between police and Islamic extremists led by a radical leader of the opposition fundamentalist Party Islam in what was the worst outbreak of religious-motivated violence in Malaysian history.

Another nine civilians and 20 policemen were injured, some seriously, while nearly 160 people were arrested during Tuesday's four-hour battle.

Datuk Musa Hitam, Malaysia's acting prime minister during Dr Mahathir Mohamad's trip to China, played down yesterday in a special statement to parliament the religious and political dimensions of the fight, saying a contingent of 200 policemen were sent to arrest Haji Ibrahim Libya and his supporters for their "criminal activities".

He said Haji Ibrahim, who was among those killed, and his supporters at the village of Kampung Memali in Kedah state, 300 miles north of Kuala Lumpur, were virtual rulers of the area and were amassing huge quantities of weapons.

Later, however, Datuk Musa, acknowledging at a press briefing in the village was a Part Islam stronghold and that the police raid was "religiously sensitive".

Police had to use two armoured personnel carriers and tear gas to gain entry into the sprawling compound of



Datuk Musa: "religiously sensitive situation"

Haji Ibrahim's house, only to be met with gunfire, molotov cocktails, swords and axes from his 400 supporters.

Haji Ibrahim, who was 40, spent several years in Libya

and adopted the country's name

of his own. He had been an

Islamic preacher in the Baling

district were Kampung

Memali is located, for several

years and gained considerable

influence through his fiery

speeches in which he attacked

the government as "unislamic".

The Kampung Memali battle

is likely to heighten the bitter

political rivalry between the

ruling United Malays National

Organization, and the Party

Islam which is campaigning for

the creation of a theocratic

**Mahathir arrives in Peking**

BY ROBERT THOMSON IN PEKING

MALAYSIAN Prime Minister Mohamed Mahathir arrived in Peking yesterday for trade and diplomatic talks in a visit highlighting China's intensified efforts to cultivate ties with South-east Asian countries.

Dr Mahathir, on his first trip to China, arrived to a welcome of a 10-gun salute and 300 cheering children at Peking airport before meeting with Zhao Ziyang, the Chinese Premier, for an introductory round of discussions.

On the eve of the Prime Minister's arrival, the Chinese news agency, Xinhua, released a statement boasting that China and South-east Asian nations have taken "great strides" in economic co-operation in recent years, and "have great potential" if they follow the spirit of equal benefit.

Mr Rithaudeen, the Malaysian Foreign Minister,

One country not in that category is Vietnam. A Chinese Foreign Ministry spokesman stressed yesterday that China has no trade links with Vietnam, and has no intention of resuming them at present.

The comment follows remarks by a Vietnamese foreign affairs official at an international trade fair in Peking of which the Vietnamese have a display. The official said Vietnam "hopes to establish trade contracts" with China.

If the display at the fair is any guide, Vietnam has little to offer China. Apart from plastic flip-flops and coolie hats, the highlights are black and white televisions and Vietnamese vodka.

In an interview with Xinhua, Tengku Ahmad Rithaudeen,

the Malaysian Foreign Minister,

said some "sensitive problems" still exist between the two countries. Diplomats here say one of those problems is China's "morality" support for the Communist Party of Malaya (CPM). However, a South-east Asian diplomat said China was unlikely to make any public statement recognising support for the CPM, and officials from both countries would be reluctant to discuss the matter publicly.

Mr Rithaudeen said Malaysia wanted to right a trade imbalance in China's favour, but diplomats here are unsure of exactly what China would want to buy from the Malaysians, whose main exports to China are rubber and timber products. The two countries are expected to sign agreements on double taxation and trade.

**Chinese may hold foreign money**

ALL CHINESE citizens are to be allowed to hold foreign exchange for the first time since the Communist takeover of the country in 1949, Reuters reports from Peking. Officials also said that special foreign-currency shops might be established.

Regulations published yesterday by the Bank of China, the nation's foreign exchange bank, say that anyone can now open foreign exchange accounts for deposit and withdrawal.

The regulations are "in line with China's policy of opening to the outside world," said a spokesman told Reuters yesterday. "Today that people could now use the money to buy goods on

foreign visits or through their relatives abroad. He added: "The Government is considering opening shops selling goods for foreign exchange, like those in Eastern Europe."

Asked whether the black market in foreign currency would now expand, the bank spokesman said the Government was taking measures to deal with the problem. At present, foreign visitors must change foreign currency into special coupons, denominated at par with the national currency, the yuan. Street-corner black marketeers now offer to buy these coupons with yuan at about one to 1.5.

**PETROL £1.88 A GALLON.  
OIL £1.95 A LITRE.  
VODAFONE: 72p A DAY.  
WHO SAYS CAR PHONES  
ARE EXPENSIVE?**

For as little as £4.99 a week, plus a deposit of £475\*, you can have a phone in your car, which keeps you in constant touch with your customers, clients or office. Anywhere in the world.

At less than half the cost of a gallon of petrol a day, can you afford not to have one?

For full details fill in the coupon or dial 100 and ask for Freefone Vodafone.

\*Based on a five year lease for qualifying business users. (Ex VAT, Network and call charges).

**RACAL-VODAC LIMITED**

I'd like to be in when I'm out. Can I have a Vodafone demonstration?

Name \_\_\_\_\_ Position \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Tel. \_\_\_\_\_

Post to Racal-Vodac Ltd, Freepost, Newbury RG13 1DR (no stamp needed). Or ring (0635) 67000.

**WE'RE IN WHEN YOU'RE OUT WITH A VODAFONE**

**Austerity begins to bear fruit in Israel**

By Walter Ellis in Tel Aviv

ISRAEL'S current economic austerity programme may be having a more positive effect than had been forecast.

According to a Treasury document leaked to the Jerusalem Post, the shekel has risen by 9 per cent against the US dollar since June, unemployment in October was down slightly, to just under 7 per cent, and consumer demand is once again on the increase.

The Treasury reveals that real wages in October were 20 per cent lower than in June, immediately before the unity Cabinet introduced its economic package. The average gross monthly wage in October was \$569; the figure for the private sector was \$544 and, for public sector workers,

\$422.

Wages in November will, however, rise by 2.8 per cent in line with an agreement covering increases in the rate of inflation.

Meanwhile, Mr Shimon Peres, the Israeli Prime Minister, has called on the Treasury to submit a new table of cash-handling \$600m, for the 1986-87 state budget.

• A total of 17,000 Israelis left the country in 1984, and the year's figure is expected to be higher. An opinion poll in August indicated that 7.7 per cent of the population considered themselves as candidates for emigration.

The state is now fighting back with offers of jobs in the homeland. Israel is especially concerned about the numbers of scientists and technicians who have gone to work in the US, and a series of technological job fairs is being held across America in a bid to attract the emigrants back.

The report thus reinforces

the call for abolition of inflex

control, the pass laws and

the Group Areas Act and pro

motion of a positive urbanisation

**INDUSTRIAL COURT CONDEMS SACKINGS****S. African mine criticised**

By Jim Jones in JOHANNESBURG

IN A case expected to have a fundamental influence on South African labour practice, the country's Industrial Court (IC) has comprehensively criticised the Marilevale gold mine which sacked and evicted about 900 black miners in September as a result of a legal strike in support of wage demands.

Describing the mine management's approach to wage negotiations as "distant, negative and uninspired", the IC gave as its reason for ordering the mine to re-instate 380 union members three weeks ago that the mine's labour practices were largely unfair.

When negotiations foundered

in June the chamber unilaterally increased black wages by between 14 per cent and 19 per cent, which prompted the NUM to hold a strike ballot of its members. In the face of overwhelming endorsement of strike action in support of wage claims three mining houses broke ranks with others in the chamber and improved on the unilaterally implemented wage increases.

General manager, which managed Marilevale, said that it was not prepared to increase

wages further on its gold and coal mines. It dismissed men at all of its mines where strikes broke out, but reinstated men who returned to work everywhere but Marilevale.

Specific criticisms made by the IC were that the Marilevale mine paid little heed to the fairness of its actions, that it was not prepared to review its financial support on a longer term basis compared with the prevalent short-term crisis management approach adopted by the West towards African countries.

Gencor, the company which

managed Marilevale, said that it

was not prepared to increase

**Ghana loan levels agreed by aid group**

By Paul Betts in Paris

INDUSTRIALISED countries agreed yesterday to increase their loan commitments to Ghana by 13 per cent next year and showed for the first time a

willingness to extend their financial support on a longer term basis compared with the prevalent short-term crisis management approach adopted by the West towards African countries.

Ghana received a total of \$517m in new loan pledges for next year at a meeting of the World Bank in Paris. This is \$67m more than the pledges it secured last year.

Although Ghana is seeking about \$800m in new aid next year, Dr Kweku Aboagye, the Ghanaian minister for finance and economic planning, said he was satisfied with the outcome of the Paris meeting. Ghana is expecting additional pledges from donor countries for next year.

With the recovery in Ghana's economic situation there had been some concern that donor countries might decide to reduce their aid to the West African country next year to divert it to other countries.

However, donor countries continued to increase their support of Ghana which is seen by the World Bank and a number of western countries as a blueprint of economic recovery for African countries.

World Bank officials said yesterday that western donor countries were encouraged by what they felt was a steady political will on the part of Ghana to pursue its economic programme.

Among donor countries, Britain said yesterday it will double its bilateral aid to Ghana next year to £14m. Additionally, the UK will give Ghana £5m through the World Bank's special facility for Africa, and will spend a further £2.3m on other forms of co-operation.

**Apartheid law abolition urged**

By Anthony Robinson in JOHANNESBURG

THE ABOLITION of discriminatory legislation which prevents blacks playing a full role in the economy and encouraging for the creation of small businesses has been urged by President P. W. Botha

in a report by the Economic Committee of the President's Council, a top-level advisory

body.

The committee, chaired by Dr F. Jacobs, identified repeal of the Group Areas Act and the Urban Areas Consolidation Act as being of "extreme

importance because they deny Asian, black and Coloured businessmen and potential businessmen access to the economically dominant areas of the country."

The report thus reinforces

the call for abolition of inflex

control, the pass laws and

the Group Areas Act and pro

motion of a positive urbanisation

of the South African population are to

accept the principles of an intervention.



**DSM helps car makers shape up to the future**

THE automotive industry constantly searches for new materials. Priorities go to safety, weight and cost savings. At DSM we offer designers the products their dreams are made of. Plastics that are ten times stronger than steel; are twice as strong as carbon fibres; impact resistant; temperature tolerant and as an extra, are good enough to look at and keep them ahead of the market.

Leading manufacturers have already selected DSM products because of our lead in plastics technology.

As one of the world's top ten chemicals groups, DSM is a vital and ambitious company with product and capital expansion plans for decades to come.

To achieve these ambitions we seek out the brightest of talents. More than one hundred graduates join us every year to keep up the momentum of our research into new technologies.

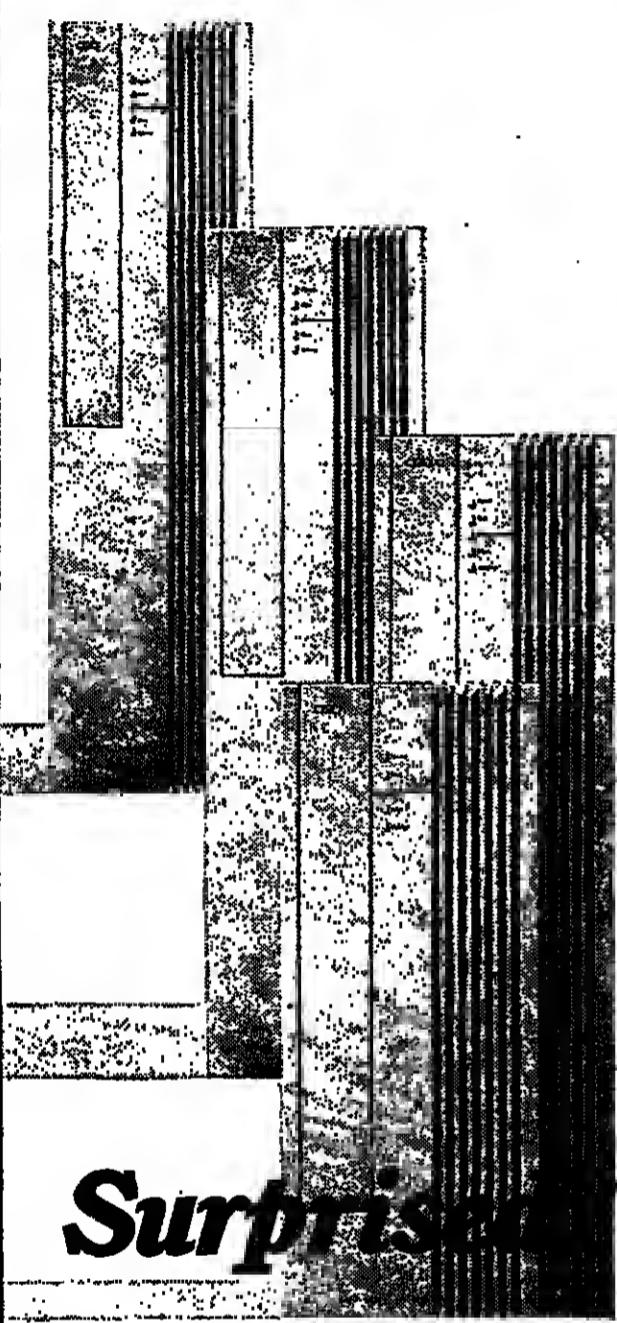
Our secure financial base ensures that we have the means to match our ambitions... and those of the automotive industry throughout the world. We're miles ahead.

**DSM** 

— leave it to the professionals.

DSM P.O. Box 6500, Heerlen, 6401 JH, The Netherlands Telex: 56018

# NCR's TOWER RANGE OF \*UNIX-BASED COMPUTERS TAKES THE NEXT PERFORMANCE STEP UP, AND A COST PER USER STEP DOWN.



## Surprise

Of course not! The new Tower 32 is exactly what you'd expect. The Tower range was designed to give you the latest, first. The new Tower 32 puts the full 32-bit power of the new 68020 chip from Motorola straight into your hands.

The result is a true 32-bit, Unix-based computer. Super-mini performance for the price of a decent micro. Access for 32 interactive users. Complete hardware and software compatibility and configuration flexibility - with other Tower 32s, other computers in the Tower range, and with anything available that supports Unix.

And all the industry-standard features which have made NCR's Tower range the automatic choice of Unix users.

Only a major computer manufacturer could produce a computer with the price/performance ratio of the Tower 32. It is the latest Tower computer from NCR - but not the last. Plug into the most friendly, best-supported Unix range in the world today. And watch it grow taller tomorrow.

# NCR

INNOVATIVE COMPUTER TECHNOLOGY  
YOU CAN EXPECT IT FROM NCR

NCR Limited, 206 Marylebone Road, London NW1 6LY.  
\*Unix is a trademark of AT & T Bell Laboratories

To: NCR Information Centre, NCR Ltd, 206 Marylebone Road, London NW1 6LY. Telephone: 01-724 4050.

NCR Tower computers range from the Mini Tower catering for up to 8 users, through the 16-user Tower XP, to the Tower 32.

Please send me full details on:

Mini Tower  Tower XP  Tower 32

Name \_\_\_\_\_

Title \_\_\_\_\_

Type of business \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

FTS/18/11/85

## Britain fears new pressure at UN over Falklands

BY OUR FOREIGN STAFF

BRITAIN'S position of refusing to negotiate on the sovereignty of the Falkland Islands with Argentina is expected to come under renewed attack at the United Nations in New York next week.

Argentina is understood to be preparing a moderate resolution calling for negotiations on "all aspects" of the Falklands question in an attempt to acquire wider support for its position among UN members.

Last year Argentina's position attracted 89 votes in the UN debate, with nine against and 54 abstentions. The abstentions included the nine members of the European Community apart from Britain.

Questions remain over the position to be adopted by France, Italy and Ireland on the Falklands issue. The governments say privately that they have yet to decide on their attitudes towards a motion which still has to assume its final form. If France backs Argentina it may be followed by Italy. Dublin is thought unlikely to back Buenos Aires.

Mr Dante Caputo, the Argentine Foreign Minister, who is due to leave for New York today, is virtually certain of gathering increased support, including that of prospective members of the EEC Spain and possibly Portugal, according to Western diplomats in Buenos Aires.

It is reliably understood that the motion, to be presented by a group of Latin America non-aligned countries and possibly by some European countries including Austria and Sweden, represents a major departure in Argentine diplomatic strategy in the UN.

Previous motions have been submitted only by Argentina and supported by a restricted group of Latin American countries and have involved a specific reference to the word sovereignty.

## Contras aid bill approved

By Nancy Dunne in Washington

THE US House of Representatives has quietly approved an intelligence funding Bill with provisions which allow the Reagan Administration to greatly expand its assistance to rebels fighting in Nicaragua.

By a vote of 337-21, the House approved on Tuesday night a compromise legislation worked out in a House-Senate conference committee, which allows the Reagan Administration to send aircraft and ground vehicles to the rebels... "so long as no modifications are made... to inflict serious bodily harm or death."

The bill is expected to pass the Senate later this week and to be signed into law by the President.

Passage of the bill in the Democratic House suggests increased support for Reagan Administration policies in Nicaragua since Congress last year passed a ban on "directly or indirectly" giving military aid to the rebels. However, the new legislation maintains past prohibitions on the use of Central Intelligence Agency (CIA) contingency funds for the Contras; CIA advice or direct military assistance.

Congress last summer approved \$27m in "non-lethal" aid to the rebels. It never actually defined what "non-lethal" aid would be, but a specialist department office established to distribute the funds has refused to spend the money for vehicles and has mostly bought food, medicine and clothing.

The new bill clarifies the "humanitarian assistance" as including the distribution of aircraft, helicopters, ambulances and trucks as "non-lethal" assistance. Congressional sources say the vehicles could be used later to transport military equipment or troops.

## Colombia dead now 25,000'

By Sarah Kendall in Bogota

A WEEK after the eruption of the Nevado de Ruiz volcano, politicians, vulcanologists and disaster experts are criticising the Colombian Government for not taking stronger preventive measures.

As the last survivors of the mud avalanche that buried Armero and rescues, the number of dead and missing is estimated at about 25,000.

According to Mr Haroun Tazieff, France's Minister of Natural Disasters, many more lives could have been saved if large-scale evacuation had been carried out. But other experts disagree. The Government had given instructions to the population likely to be affected by an eruption, but people are reluctant to abandon their homes and possessions when presented with a vague risk.

Mr Tazieff warned that two risks for the people in the area remain: a further melting of the ice cap, with more avalanches, and less probable, an eruption far bigger than the small ones registered so far.

## AMERICAN NEWS

Robert Graham on why a Central American peace treaty will not be signed

## Contadora plan loses momentum

SIGNATURE of a Central American peace treaty promoted by the four-nation Contadora Group is about to be postponed again. A conclusive meeting had been expected in Panama yesterday, to be attended by members of the group and the five countries of Central America included in the treaty.

Unresolved differences have not downgraded the meeting's importance, however, and the Contadora nations believe substantive progress is unlikely before the New Year.

The stumbling-block is the same one that affected the meeting of foreign ministers of Colombia, Mexico, Panama and Venezuela on the Panamanian island of Contadora in January 1983 to discuss a peace initiative for war-torn Central America.

The differences centre on seemingly irreconcilable views on the role of Nicaragua in the region. Nicaragua's US-backed neighbours - Costa Rica, El Salvador and Honduras - regard the Marxist-oriented Sandinista Government as a direct threat and are reluctant to sign any agreement that might inhibit Washington's freedom of movement in the region. This view is shared by the US.

Nicaragua, for its part, believes it has made substantial concessions, but is unwilling to sign a treaty until the US renounces its support for the anti-government Contra rebels and stops all attempts at destabilisation.

This unbridgeable gap has dampened much of the original enthusiasm behind the Contadora project. A senior official in the group summed up the situation as follows: "No one wants the initiative to fail completely, yet not enough want it to really succeed."

A 64-page draft treaty has been completed but there is no agreement on the basic issues that would make it effective. In particular, there is deadlock between Nicaragua and its opponents on the precise composition of the votes in its favour.



Colombian President Betancur (left) and Mexican President de la Madrid: both absorbed by severe domestic difficulties

ence of foreign military advisers in the region, on the holding of joint military manoeuvres with outside powers, on the military balance and on monitoring systems.

The draft is a reworked version of two forerunners which were altered by Costa Rica, El Salvador and Honduras - often on what seemed to be US prompting. The most recent changes were introduced by Honduras in September.

If accepted, military exercises by outside powers would be regulated, not banned as previously envisaged; and the wording concerning foreign military advisers has been made more ambiguous. The effect of the draft would be to permit the US to continue its military presence in the region, yet make it harder for Nicaragua to maintain its existing troop and equipment levels.

Earlier this month President Daniel Ortega of Nicaragua wrote to the heads of state of the Contadora Group rejecting these changes. He also pointed out that signature of

the treaty presupposes the normalisation of relations between Nicaragua and the US. In other words, US support for the Contra rebels had to end along with the US economic boycott of Nicaragua.

Publication of the letter coincided with a meeting last week in Luxembourg of the Contadora Group, the five Central American countries concerned and the European Community. Although the letter cast a cloud over the meeting, which had been called to sign a co-operation agreement between Central America and the EEC, it nevertheless injected a note of realism. Nicaragua was bitterly attacked in public for its militarism by Honduras, but in private the need for regional co-operation was recognised.

"It was useful to remind them that they can sit down together, that they do have points in common and that an outside group like the EEC has an impartial concern that Contadora should produce results,"

commented one European diplomat.

But diplomats present recognised they had little if any influence over the US, which determines policy in the region. European distaste for the US economic embargo of Nicaragua and disquiet over the renewed \$37m congressional funding of the Contra rebels has been brushed aside by Washington.

Members of the Nicaraguan delegation in Luxembourg maintained that the US had no interest in seeing a Contadora peace treaty agreed, since this would limit policy options. Support for the Contras was a cheap form of indirect US influence and pressure on Nicaragua, they argued. Members of the Contadora Group share this view, although they will not say so in public.

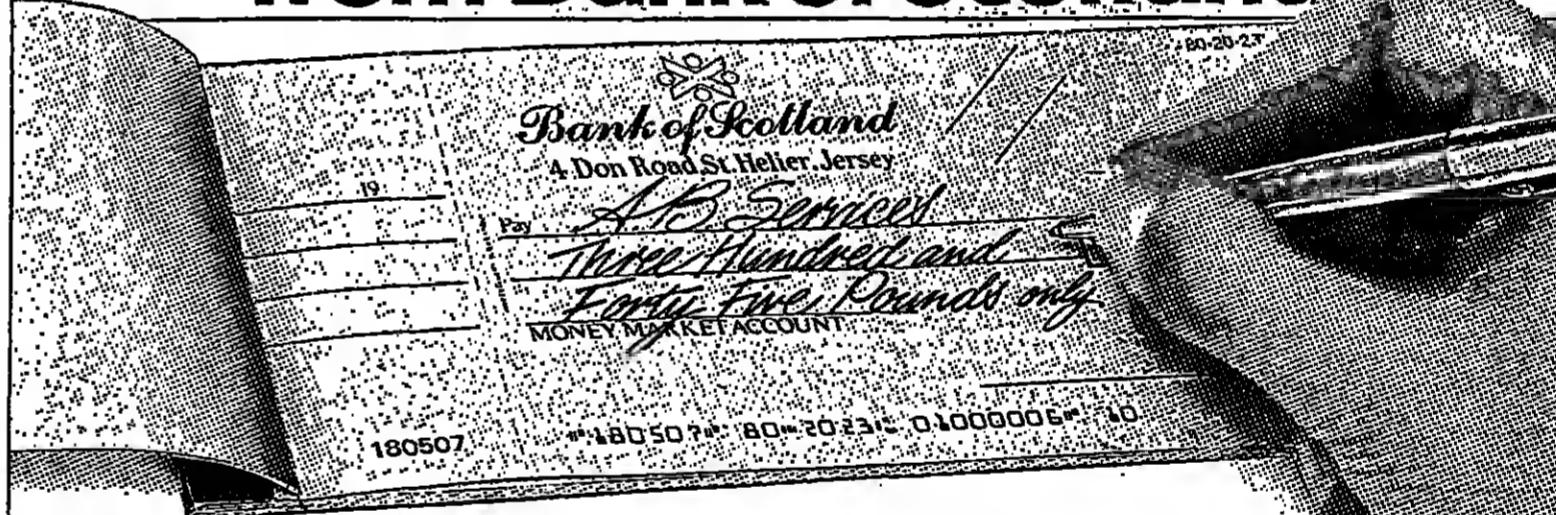
Mr Bernardo Sepulveda, the Mexican Foreign Minister, attached considerable importance to the creation in August of a Latin American support group for Contadora - composed of Argentina, Brazil, Peru and Uruguay.

But this has only partially offset the increasing introspection of the Contadora promoters. When the group was formed almost three years ago there were strong governments in Colombia, Mexico and Panama.

The domestic difficulties of the Contadora Group have been felt by the countries of Central America, especially Nicaragua. Nicaragua is the most anxious for a treaty since this holds out the prospect of building up its shattered economy and confirming the legitimacy of the Sandinista Government.

The political timetable in Central America militates against any early move. Between now and February there will be presidential elections in Costa Rica, Honduras and Guatemala. In each instance small but significant policy changes could result, affecting relations with Nicaragua.

## An Offshore Money Market Cheque Account from Bank of Scotland



### DO YOU WANT?

- High Rates of Interest
- No notice of withdrawal
- A cheque book to give you easy access
- An Offshore Account based in Jersey paying Interest Gross.

### AND ALSO

- Available to applicants world-wide
- No need to have another account with us

**INTEREST PAID GROSS**  
**11.00% = 11.57%**  
Applied Rate Compound Annual Rate\* (C.A.R.)

\*Interest rates may vary - rates quoted correct at time of going to press.

### WHAT ARE THE DETAILS?

Minimum opening balance £2,500  
Minimum transaction £250

Interest is calculated daily and applied monthly. Cheques may be payable to third parties and all transactions should normally be in sterling. Statements are issued quarterly (more frequently if you wish). First 9 cheques per quarter are free of charge.

Up to date rate of interest available by telephoning Bank of Scotland, Jersey 0534-39322.

Simply complete the coupon below and enclose your cheque. An acknowledgement of your deposit will be sent by return and your cheque book will follow a few days later.

Bank of Scotland was constituted in Edinburgh by Act of Scots' Parliament in 1695. Copies of the Annual Report and Accounts are available on request from R. C. Horne, Manager, Bank of Scotland, 4 Dan Road, St Helier, Jersey or from Bank of Scotland, Head Office, The Mound, Edinburgh EH1 1YZ. Bank of Scotland Proprietors' Funds as at 28th February 1985 were £314.4 million.

Deposits made with offices of Bank of Scotland in Jersey are not covered by the Deposit Protection Scheme under the Banking Act 1979.

I/We enclose my/our cheque for £ (minimum £2,500) payable to Bank of Scotland.

Should the cheque not be drawn on your own bank account, please give details of your bankers.

MY/OUR BANKERS ARE \_\_\_\_\_ BANK

BRANCH \_\_\_\_\_

ACCOUNT NUMBER \_\_\_\_\_

Bank of Scotland Jersey offers a full range of services. For further information tick box.



**BANK OF SCOTLAND**  
A FRIEND FOR LIFE

Financial Times Thursday November 21 1985

## WORLD TRADE NEWS

## Groups poised to share in Pakistan dam project

By JOHN ELLIOTT in ISLAMABAD

THE PAKISTAN government is expected to decide soon to go ahead with a controversial \$3bn project to build one of the world's biggest earth-filled dams at Kalabagh on the River Indus, 80 miles from the border with Afghanistan.

Civil engineering companies from various countries including Balfour Beatty of the UK, are lining up for contracts which might go out next year.

The hydro electric and irrigation project has been discussed for over 25 years during which time other big dams have been built in Pakistan at Mangla and Tarbela.

But Mr Mabubul Haq, the Finance Minister, has made clear he wants work to start soon, providing the government can placate critics in the North-West Frontier Province who have started a major debate that is dominating the pages of the country's newspapers.

The dam site is in Pakistan's Punjab Province which would receive most of the irrigation benefits, but 64,000 acres of the neighbouring North-West Frontier Province would be flooded.

Although no commitment have been made, Mr Haq estimates that Pakistan could raise aid of \$100m a year for seven years from the World Bank, the Asian Development Bank, Arab countries, and the Aid to Pakistan consortium, making a total of \$2.8bn. Another \$50m a year would come from the US.

The World Bank, responsible for preparing the plans, is in the middle of the project although it has yet to evaluate it for aid. It expects that the plan would be at 17.5 per cent rate of return on the \$3bn capital cost if the economic benefits, including irrigation and improved electricity generation of

2,400 to 3,600 MW, are taken into account.

The US Government, however, which has a significant influence on Pakistan's plans and policies, is less enthusiastic, arguing that the country does not have the rupee resources to finance the project's local costs which would amount to half the total.

But on balance, it seems likely that the project will go ahead, providing the government can placate critics in the North-West Frontier Province who have started a major debate that is dominating the pages of the country's newspapers.

The dam site is in Pakistan's Punjab Province which would receive most of the irrigation benefits, but 64,000 acres of the neighbouring North-West Frontier Province would be flooded.

Although no commitment have been made, Mr Haq estimates that Pakistan could raise aid of \$100m a year for seven years from the World Bank, the Asian Development Bank, Arab countries, and the Aid to Pakistan consortium, making a total of \$2.8bn. Another \$50m a year would come from the US.

The World Bank, responsible for preparing the plans, is in the middle of the project although it has yet to evaluate it for aid. It expects that the plan would be at 17.5 per cent rate of return on the \$3bn capital cost if the economic benefits, including irrigation and improved electricity generation of

## BAe likely to lose Bonn missile order

By Peter Bruce in Bonn

BRITISH AEROSPACE appears to have lost its battle to sell the West German Luftwaffe its Alarm anti-radar missile in the face of overwhelming US competition.

Bae has been trying for nearly two years to persuade the Defence Ministry in Bonn to drop its agreement in principle to buy a US system, Harm, developed by Texas Instruments, for nearly DM 400m (£105m). Supported by Whitehall, Bae has also lobbied hard in the parliamentary defence committee in Bonn.

But the West German Defence Minister, Mr Manfred Woerner, has said that although a final decision had not yet been taken by the defence committee, "I think we are clearly in favour of the American system."

The Harm missile is about to go into service with the US armed forces while the Bae system has not yet been tested. "The American system exists," Mr Woerner said. "The British system doesn't."

## EEC badly placed for trade-in-services talks'

By PAUL CHEESERIGHT in BRUSSELS

THE EUROPEAN Community is badly placed to take part in any international negotiation on liberalising trade in services, but it is not alone.

There is no agreement inside or outside the Community on what should be negotiated, or how. In any case, the statistical base on which to develop policy is weak.

This emerges from a report by the European Commission's Interservice group on trade in services which is preparing a Community stance. It points out that there is no unit within the Community responsible for trade in services.

"When the Community enters the multilateral negotiations on more centralised distribution of responsibilities it is desirable," the report says.

The lack of trade in services has been a major obstacle to a new round of trade talks in the General Agreement on Trade and Tariffs (GATT). The developed nations want services included in the talks but several developing nations, notably Brazil and India, do not.

The lack of an official unit in the Community which can grasp the implications of trade in services as a whole is also characteristic of other trading powers' approach to multilateral negotiations.

Even in the US expertise is divided between the trade representative's office and the Commerce Department. Only recently has a committee been set up to liaise between the trade representative and the state authorities.

The Commission itself wants more data on services which it can only obtain from member states where the very bother of collection makes it politically sensitive.

It sees its most potent ally as the sector itself, "as it becomes aware how its interests are being taken care of by a more active Community policy."

In fact, the private sector does not appear to have been active. Attempts have been made to set up an umbrella organisation to feed business views into the Commission, although the UK committee for

## Setback for 'Two Korea' trade hopes

By Steven S. Butler in Seoul

NEGOTIATORS from North and South Korea yesterday again failed to make progress toward an agreement on trade and economic co-operation, meeting for the fifth time in a year in the truce village of Panmunjom.

The start of trade talks between these two states was hailed as a major breakthrough one year ago. The talks now appear to have stalled, although both sides want to keep the forum for discussion alive.

The failure to make progress is puzzling because of the large number of common points contained in the draft agreements of each side. The only point of genuine disagreement yesterday seems to be over the South's insistence that the agreement names items for trade, while the North wants to leave the issue for "working level" committees.

The two sides agreed to meet again on January 22, although the South suggested holding talks in December.

## Nissan near agreement on China truck plant

NISSAN MOTORS is close to agreement on the largest investment by a Japanese motor company in China, Reuter reports from Peking. This follows China's decision earlier this month to put a two-year ban on most vehicle imports, a company official said.

Mr Toshiro Takahashi, Nissan's China manager, said the ban by Peking was forcing Japanese vehicle manufacturers to consider production in China as an alternative to direct exports.

Pre-qualification tenders would be issued next July and the short list of tenders chosen in November. The work would then go out to tender and the World Bank would carry out its project appraisal for and in January 1987.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

## UK vehicle technology pact

By Kenneth Gooding, Motor Industry Correspondent

AUTOMOTIVE PRODUCTS of the UK has signed a technical cooperation agreement to supply the Soviet Union with commercial vehicle transmission technology.

• Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

THE Soviet Union has placed orders for large-scale machinery reported to be worth at least £40m to £50m with Japanese manufacturers in an apparent effort to modernise its automobile industry. AP-DJ reports from Tokyo.

• Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

The latest mission hopes to secure contracts in telecommunications and other fields of electronics.

Mr Takahashi said the issues remaining included how much the Changchun plant in north-east China would pay for technology.

Mr Christian Tyler writes: Britain is sending another trade mission to China next month, led by Lord Young, employment Secretary, who headed a similar delegation at the beginning of this year.

## UK NEWS

## Taxes 'threaten growth in shares trading'

BY JOHN MOORE, CITY CORRESPONDENT

THE GROWTH of trading in UK shares is threatened by the high taxes imposed on share transactions, Sir Nicholas Goodison, the London Stock Exchange chairman, warned yesterday.

In an effort to make the London securities market more competitive Sir Nicholas and the stock exchange ruling council have urged the British Government to abolish stamp duty immediately. "This would be far and away the most significant contribution to London's competitiveness in the world market place," he said.

Speaking at a City conference, Sir Nicholas said that transaction taxes in London consisted almost entirely of the 1 per cent stamp duty on purchase. Transaction taxes "are higher than any other major marketplace," he said. "Germany and Switzerland are making moves to reduce or abolish similar taxes; and New York has already done so. As a result, the position of the London market will be even more under threat."

He said that the threat was made more serious by the growing practice of trading UK stocks in American Depository Receipt form "which escapes stamp duty entirely." There had been a significant increase in the amount of stock traded in this form in the last twelve months.

"London is very unlikely to become a competitive market if investors can deal in British securities abroad on better terms than they are able to at home because of stamp duty."

Stock-exchange firms were building up overheads, which may make them difficult to adapt to the restructured securities market, Mr George Hayter, divisional director of information services at the stock exchange, said.

He said he had noticed that some stock-exchange firms were "spending enormous sums of money in preparation for the change." He wondered whether they had considered the fixed overheads which "they are building up for themselves in the months and years to follow — overheads which may make it more difficult for them to adapt, as they may need to, in response to changing business conditions or to a revised perception of their most successful business strategy in the new City."

Commenting on future plans for the stock exchange in the development of the UK stock market, Mr Hayter said that market officials had concluded that the stock exchange should fulfil an international market role. It should do so in co-operation with other like-minded stock exchanges that are both willing and able to form partnerships in the global enterprise."

## EEC may compel Ford to grant body panel licences

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE EUROPEAN Commission has stepped into the dispute between Ford and several independent UK suppliers of vehicle replacement body panels, a business worth £35m to £45m a year.

It has indicated that it might take action to force Ford to grant licences to independent suppliers at low royalty rates. The commission's views have been outlined in a so-called Statement of Objection.

Ford said yesterday that it did not agree with much of what was alleged in the statement. "We will be responding in the proper manner in due course," it added.

The company is also to have further discussions with the UK Government on the question of copyright relating to vehicle body panels.

Ford's attitude was branded as "clearly adverse to the public interest" by the Monopolies and Mergers Commission in a report last March. The commission concluded, however, that there was no satisfactory remedy under the existing law as long as Ford was unwilling to grant licences.

The commission suggested that the laws protecting design and copyrights should be changed so that Ford would be able to have a monopoly on the manufacture and sale of replacement panels for its cars only for the first five years of any given model's life instead of 15 as at present.

Any change of this sort would affect UK industry generally, Ford has pointed out, and the company claims that five years would not allow manufacturers time to recoup the costs of research, design and engineering.

Meanwhile, Ford is continuing copyright actions against some independent panel suppliers but agreed to a deferral of the first of the legal actions, due to be heard earlier this week.

The suppliers requested a deferral on the grounds that a copyright dispute case between BL and Armstrong Equipment, which could have a bearing, is shortly to be considered by the House of Lords and because of the European Commission's sudden interest in the subject.

## Electricity prices expected to increase by 5% next year

BY MAX WILKINSON, RESOURCES EDITOR

ELECTRICITY PRICES are likely to go up by about 5 per cent next spring, Mr Philip Jones, chairman of the Electricity Council, told MPs yesterday. His forecast follows a hard-fought agreement between the Treasury and the electricity industry that its net repayments to the Exchequer in 1985-86 should be £1.416m.

Although this is significantly higher than this year's "negative external financing limit" of £1.126m, it is less than the figure that the Treasury would have liked.

Mr Jones would not be drawn, in yesterday's evidence to the House

of Commons' Energy Select Committee, about the details of this year's argument with the Treasury, but he said the financing limit, which had come out of the negotiations, was consistent with the performance target of a 2.75 per cent real return on capital laid down for the industry.

In the present year, he said, the industry would be arguing for a cut of £700m in its planned repayments to reflect the extra costs of the coal strike. These consist of additional interest costs, the cost of rebuilding coal stocks and other expenses. Coal stocks, he said, had now

reached 22m tonnes, and the electricity industry believed that this was broadly the level at which they should be kept.

This seems to indicate that the Government has rejected the idea that stocks should be rebuilt in an even larger fighting reserve of perhaps 30m tonnes or more in case of another coal strike.

Mr Jones confirmed that one of the lessons learned from the strike last year was that the Central Electricity Generating Board (CEGB) could make more extensive use of lorries for transporting coal in preference to trains.

## Bank capital ratios improve

BY DAVID LASCELLES, BANKING CORRESPONDENT

THE CAPITAL strength of UK banks has recovered to the level prevailing in 1980 thanks to the recent spate of rights issues and sales of perpetual floating-rate notes, according to *de Zoete & Bevan*, the stockbroking firm.

Its annual review of the UK banking industry, the firm says that the big four banks' primary capital ratios are currently 8.3 per cent on average, compared with 4.8 per cent last year and 6.2 per cent

cent, thanks partly to its £35m rights issue last spring. Midland is 6.2 per cent, marking a recovery from the losses of Crocker National Bank, its US subsidiary.

National Westminster has the lowest ratio, 5.7 per cent. *de Zoete* says NatWest's £236m rights issue last year was too small and the bank's scope for further borrowing is limited. "Extra capital is not at all urgent, but given time it might be useful."

## Space centre plans close links with European agency

BY PETER MARSH

STAFF at Britain's new National Space Centre will spend the next six months mapping out the shape of the country's future space activities, including the question of participation in the international manned station planned for the 1990s.

Mr Roy Gibson, whose appointment as director general of the centre was confirmed yesterday, will be helped by 30 civil servants seconded to the London-based centre from other government departments.

Mr Gibson and his team will also evaluate preliminary designs from British Aerospace and Rolls-Royce for *Hotol*, a revolutionary space vehicle that would fly into orbit using engines similar to those in jet aircraft.

*Hotol* is still very much on the drawing board but might form the basis of a launch vehicle for the late 1990s, perhaps financed by the European Space Agency (ESA).

Mr Geoffrey Pattie, Minister for Information Technology, whose responsibilities include space activities, said yesterday that plans for *Hotol* had excited the interest of France, which is mainly responsible for the European agency's Ariane rocket developments.

Mr Pattie said he had discussed possible collaboration over *Hotol* with Mr Hubert Curien, the French Research Minister, at the Anglo-French ministerial meeting in London on Monday.

In formally announcing plans for the UK space centre, Mr Pattie said

it would work closely with ESA, which Britain provides with about a third of the budget of the Paris-based agency.

The space centre was needed, Mr Pattie said, to add a focus to Britain's activities in space, which up to now had been the responsibility of separate government departments.

"It is a clear recognition in government circles of space as a leading-edge technology generator and as a very exciting area for Britain to be involved in," he said.

Mr Gibson will also evaluate preliminary designs from British Aerospace and Rolls-Royce for *Hotol*, a revolutionary space vehicle that would fly into orbit using engines similar to those in jet aircraft.

The overall budget is expected to rise over the next few years by up to 50 per cent, to take into account spending associated with development work for the international space station.

Britain and the other 10 ESA members are due to spend about £1.4bn over a decade in adding Columbus, a scientific laboratory for experiments in materials processing and Earth observation, to the base's main core, which the US is to provide at a cost of about £5.7bn. Japan and Canada are also to play a part.

Although the ESA countries have in principle decided to spend the money, they must by next autumn finalise details of the Columbus plan.

## VCR sales 'up 43%'

BY JASON CRISP

THE NUMBER of homes with video recorders (VCRs) throughout the world is expected to reach nearly 100m by the end of 1985, an increase of 43 per cent on the previous year, according to estimates by Screen Digest.

The US, Japan and the UK account for 58 per cent of the world's VCRs. With sales of 11.75m VCRs forecast for 1985, the US has easily the largest number with a total of 26m. The next largest market is Japan, with 18.4m, according to the magazine.

Among large countries, Japan has the highest penetration of video in homes with televisions at just over 60 per cent. The UK,

which once had the highest penetration, has slipped to second place among large countries with an expected 48 per cent for the year-end. The comparable figure for the US is 33 per cent.

Some countries where televisions are scarce or broadcasting is limited have a very high penetration. In the United Arab Emirates, 23 per cent of homes with television have a VCR and in Oman the figure is 81 per cent.

Screen Digest estimates that 1985 sales in China will be 120,000 video, an increase of 240 per cent on the total to date. Of the larger markets, the fastest growing are Hong Kong, India, the US and Spain.

## YOUR ELECTRONIC NOTEBOOK



When you consider that you speak 7x faster than you write, you'll see the benefits of using a Philips Pocket Memo as an electronic notebook. Ideas, notes and reminders can be instantly recorded for reference later.

Test a Philips Pocket Memo at your office equipment dealer today or write for information.

PHILIPS POCKET MEMO  
YOUR ELECTRONIC NOTEBOOK

Please send me information about Philips Pocket memo.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Country \_\_\_\_\_

PHILIPS

Philips BU Data Equipment  
A-101 Vienna, Beaker Street, Qld, Australia

PHILIPS

## UK NEWS

**Britain in 'dire trouble' unless industry recovers**

BY LORNE BARLING

INDUSTRY in the West Midlands, Britain's manufacturing heartland, must recover enormously in the next five years otherwise Britain will face considerable hardship as North Sea oil revenues decline, Mr Peter Walker, the Secretary of State for Energy, said yesterday.

Speaking to the Institute of Directors at a meeting near Birmingham, Mr Walker said that if UK industry failed to prosper by that stage "Britain will be in dire trouble."

The Midlands had never before experienced such a severe recession as in recent years, but it was now showing signs of recovery. "If this does not continue, it will spell

out the very bad position for our country as a whole."

Although North Sea revenues would continue longer and at a higher level than had been expected, probably into the next century, commercial and industrial strength had to replace it. "We have to face the realities of world trade, and Britain has got to perform as well or better than its competitors. We must get the right relationship between government and free enterprise."

The US, Japan, France and Germany had all benefited in various ways from government stimulation of industry, and the same was necessary in the UK.

**Savings ordered at Business Press**

BY SUE CAMERON

REED International, the UK-based conglomerate, has ordered an economy drive in one of its publishing businesses.

Staff at Business Press International, part of Reed Publishing, have been told that senior managers are worried about forecast profits for 1985/86. Business Press, which produces 77 titles, is planning therefore to spend £3m on re-organising its offices at Sutton, Surrey, in an attempt to make longer-term savings of £1.5m a year.

A freeze on recruitment has also been ordered. But Mr Graham McVey, chief executive of Business Press, has said that there was no "hit list" of titles that might be about.

It is thought Business Press is worried about maintaining its market share. Mr McVey is believed to have compared BPI's performance unfavourably with that of Morgan Grampian, the magazine group which is part of United Newspapers.

Reed International's interim re-

sults for the six months to September 29 showed that trading profits for Reed Publishing had risen to £20.9m from £18.9m for the same period of 1984. The division was described as having "continued strongly in the UK and increased market share in the US despite difficult conditions." But it is thought that Business Press performed poorly compared with other companies in the division, which includes Butterworth, Reed Telepublishing, Reed Regional Publishing and Reed Publishing USA.

Reed International's interim re-

**Exporting facility under review**By Christian Tyler,  
Trade Editor

OFFICIALS of the Export Credits Guarantee Department (ECGD) are preparing to advise ministers to scrap another of the department's loss-making services to exporters.

The comprehensive external trade facility, which insures goods shipped from one overseas country to another, will be reviewed again in March, after a recent reprieve when premiums were increased.

It is understood that officials now feel that the losses are mounting too fast and that a diminishing premium base makes the scheme no longer viable. No hint of the ECGD's thinking was given, however, when Mr Paul Channon, Trade Minister, yesterday answered a sheet of written questions from Dr Onaugh McDonald, the Labour MP.

Mr Channon replied that he could not anticipate the outcome of the 1985-86 review of the external trade facility. Recently, Mr Channon announced a long-delayed decision to phase out another loss-making ECGD service, insurance for short-term exports under comprehensive bankers' guarantees.

Dealing with questions on this and other ECGD topics, Mr Channon replied yesterday that the consequences of abolishing facilities were taken into account. In the case of the bankers' guarantees the impact would be small.

**Can you spot which comes under the Data Protection Act?**

It's easy to jump to the wrong conclusions about what the Data Protection Act covers.

And of course there's no way of telling from the pictures above.

The information used in the computer is what matters.

If you keep information about people on computer, you'll need to think very carefully about how this important new Act affects you.

For example, some accounting, payroll and word processing applications may be exempt from the Act.

But a great many are not.

The new Act doesn't just apply to companies and businesses, either.

Freelance professionals, for instance, may well need to register.

People who employ outside computer bureaux or even those who occasionally use computers at

home in connection with their work may be affected.

To find out exactly how the Data Protection Act affects you, go to your nearest Crown Post Office and pick up a Registration Pack.

If you have difficulty getting one, write to the Data Protection Registrar at the address below.

For further help, ring Jonathan Bamford or any of his staff at the Data Protection Registrar's office on Wimslow (0625) 535777.

Remember, completed applications must be in before May 11th 1986. But you will need plenty of time to audit your data and consider the implications.

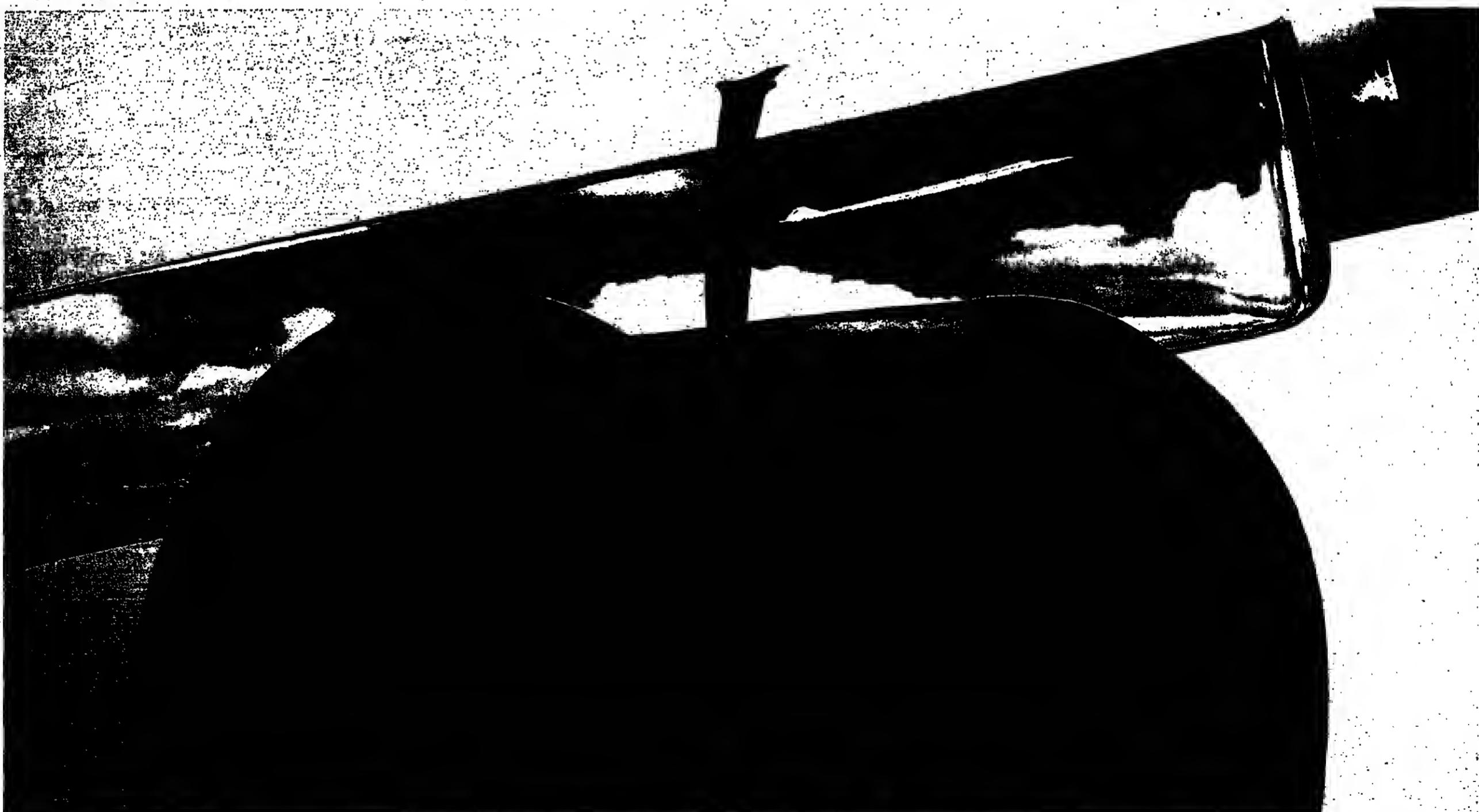
So act now. The difference between being inside or outside the law may be smaller than you think.

**The Data Protection Act** 

Have you registered yet?

The Data Protection Registrar, Springfield House, Water Lane, Wimslow, Cheshire SK9 5AX. Telephone enquiries: Wimslow (0625) 535777.

New York for lunch or dinner?



You can rely on British Airways to get you across the Atlantic in record time. That's because our supersonic Concorde flies twice a day, every day, to the Big Apple. They also fly three times a week to Washington and Miami. You'll find that the American Express Card is warmly welcomed throughout the States. So together we'll be with you all the way. Don't leave home without us.



**BRITISH AIRWAYS**

The world's favourite airline

# Minister urges caution over higher pay trend

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE UNDERLYING pace of growth in average earnings edged higher in September, prompting an immediate attempt by the Government to dampen expectations in the current pay round.

The Department of Employment said yesterday that average earnings rose by an underlying 7% per cent in the year to September after 15 months when the trend had been unchanged at 7% per cent.

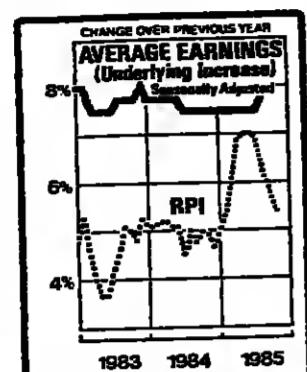
It added that the rise reflected "the effect of new pay settlements which available evidence suggests have tended recently to be higher than a year ago, and fairly buoyant overtime working."

Mr Kenneth Clarke, the Paymaster General, was quick to emphasise, however, that the figure for earnings should not be taken as an acceptable level for pay deal over coming months.

"It is a mistake to compare figures of increased earnings with figures for pay settlements, as earnings figures are usually a percentage point or two higher. The recent 5% per cent settlement for engineering workers may turn out to be a more significant pointer for this year's round," he said.

The Government is clearly concerned that the temporary rise in the inflation rate to 7 per cent early in the summer may have raised the expectations of pay bargainers. Buoyant earnings have begun to feed through into accelerating unit labour costs as productivity gains have slowed.

For manufacturing industry, the latest figures show that unit costs rose by an annual average of 6.9 per



cent in the three months to September, up from the 6 per cent seen in the previous quarter. That compared with flat or falling costs in most of Britain's leading competitor countries.

The Treasury's forecast of the outlook for the economy, published last week with the autumn statement, assumes that the growth rate of earnings will remain roughly unchanged next year, while inflation falls to an annual 3% per cent from the present 5.4 per cent.

That combination is expected to give a substantial lift to real incomes that will boost the economy through higher consumer spending. If unit costs were to rise even faster and the Government maintained its tight monetary policy, however, British companies would have to accept lower profits or lose out to foreign competitors in both home and overseas markets. That, in turn, would damage official hopes of some turnaround in unemployment.

## OXFORD ECONOMISTS BLAME SUCCESSIVE GOVERNMENTS

### Industrial policies 'misguided'

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE TRADITIONAL approaches to industrial policy adopted by successive British governments in recent decades are attacked today by a number of Oxford economists.

In a series of articles in the Oxford Review of Economic Policy, the economists argue that both past interventionist approaches and the laissez-faire policies of the present Government have been fundamentally misguided.

The review says that there has been a revolution in industrial economics over the past few years.

The results suggest that, while free market philosophies are "excessively simplistic," existing industrial policies have not taken into account the complexities of markets in goods and services.

An analysis of the failures of market forces to allocate resources efficiently indicates that official policies have frequently been based on a misunderstanding of the "subtle deficiencies of competitive pro-

cesses. Free markets are often flawed, with competition often failing to materialise or not allocating resources efficiently.

Such deficiencies, the economists say, require "careful and precise correction." A failure to appreciate this has encouraged the implementation of policies which have been very damaging to industry development.

The review argues that blanket intervention by governments through taxes, regulation and general competition rules can do more harm than good.

It says that market distortions and failures are often unique to particular competitive situations and the tax system cannot normally provide sufficiently precise tools to correct them. As a result, tax incentives and other subsidies for industry can create as many distortions as they eliminate.

There may be exceptions when there are distortions common to large groups of companies but the general presumption is that the tax system should be neutral.

The economists argue, however, that it is equally wrong for govern-

ments to rely entirely on competitive processes. Free markets are often flawed, with competition often failing to materialise or not allocating resources efficiently.

They suggest, therefore, that there is a substantial role to be played by public agencies if industrial policy is closely targeted towards providing specific remedies for different problems.

The review cites, for example, the need for governments providing guarantees to support domestic production in the face of predatory pricing by overseas suppliers.

Dealing with Britain's industrial competition policies, the review says that laws should be introduced to allow individuals and companies to initiate proceedings against anti-competitive practices. The role of the Monopolies and Mergers Commission should also be more clearly defined and penalties should be introduced for contraventions.

The economists also argue that the debate over the Government's privatisation programme has been confused by the linking of two separate arguments. The case for the transfer of ownership of assets should be separated from that relating to the introduction of competition.

"It is right to question whether assets need remain in the private domain, but wrong to assert that private ownership is inherently superior to public."

Par more important than ownership, it argues, is liberalisation of the markets for goods and managers.

• The Oxford group's latest forecast for the economic outlook points to a slowing in the growth rate of the economy to 2 per cent next year compared with 3.4 per cent in 1985.

That would push the public-sector borrowing requirement (PSBR) up to £29 billion from the £17.6 billion indicated in the Government's medium-term financial strategy.

The annual inflation rate is ex-

pected to fall to about 3 per cent by next spring and to average 4.1 per cent in 1986, down from just over 6 per cent this year.

Oxford Review of Economic Policy, Vol. 1, Issue 3; Oxford University Press.

### Indicators suggest slowdown in growth of economy

BY ALEXANDER NICOLL

AN OFFICIAL indicator of UK economic performance yesterday provided tentative evidence that the growth of the economy might have slowed recently.

The Central Statistical Office (CSO) cautioned, however, that the October cyclical indicators left unclear the likely future pattern of the economy and gave no precise indication of when the next turning point would occur.

The sign of a current slowdown came from the coincident index, which is intended to reflect turning

points in the growth pattern of the economy at the same time as they occur. It takes account of broadly-based statistics such as gross domestic product, retail sales and industrial production.

It reached a peak of 97.4 in July (January 1980 = 100), and its fall from that point accelerated in October with a drop from 96.3 to 95.2.

Interpretation of the coincident index has been hindered for some time by the effects of the coal miners' strike. A different view was provided by the longer leading indicator, designed to predict turning points six months ahead. It remained unchanged at a year's high of 100.8 in October.

THE RECEIVERS at Edgley Aircraft, the maker of the Optica observation aircraft which went into receivership a month ago, are engaged in "serious negotiations" with a potential bidder.

The prospective buyer was "an independent British party who is not involved with any of the consortia previously mentioned," Mr Christopher Barlow, the joint receiver, of Barlow, Barlow & Partners, said yesterday.

The potential bidder had pro-

vided funds to allow Edgley to continue in business for the short term, Mr Barlow added.

Edgley, based in Salisbury, Wiltshire, had orders for 15 aircraft and potential orders for up to a further 100 at the time it went into receivership. It has continued to produce aircraft with a much-reduced workforce. It made 240 of its 288 staff redundant to reduce costs. Although only about six aircraft are complete or near completion, 48 are at various stages of manufacture.

Dr David Grieves, BSC's managing director for personnel and social policy, told the House of Commons' committee on Scottish affairs yesterday that up to £500,000 would be invested by BSC (Industry), the corporation's job creation unit, in a workshop complex at Gartcosh that could provide space for up to 100 business nursery units.

Another £25,000 would be given to the Lanarkshire Industrial Field

Executive, the local enterprise trust, and £70,000 to a project aimed at setting up what Dr Grieves called a super-workshop complex.

Dr Grieves said BSC was attempting to ease the disruption to Gartcosh workers by offering early retirement wherever possible and cross-matching - that is, finding volunteers for redundancy with Gartcosh employees.

MPs' questions arose mainly from fears that the closure of Gartcosh would lead to the closure of the nearby Ravenscraig steelworks.

Sir Robert Haslam, chairman of BSC, denied that Ravenscraig would be at a disadvantage to other BSC works in trying to secure its future in the next three years.

### Potential buyer emerges for Edgley Aircraft

By Charles Batchelor

THE RECEIVERS at Edgley Aircraft, the maker of the Optica observation aircraft which went into receivership a month ago, are engaged in "serious negotiations" with a potential bidder.

The prospective buyer was "an independent British party who is not involved with any of the consortia previously mentioned," Mr Christopher Barlow, the joint receiver, of Barlow, Barlow & Partners, said yesterday.

The potential bidder had pro-

vided funds to allow Edgley to continue in business for the short term, Mr Barlow added.

Edgley, based in Salisbury, Wiltshire, had orders for 15 aircraft and potential orders for up to a further 100 at the time it went into receivership. It has continued to produce aircraft with a much-reduced workforce. It made 240 of its 288 staff redundant to reduce costs. Although only about six aircraft are complete or near completion, 48 are at various stages of manufacture.

Dr David Grieves, BSC's managing director for personnel and social policy, told the House of Commons' committee on Scottish affairs yesterday that up to £500,000 would be invested by BSC (Industry), the corporation's job creation unit, in a workshop complex at Gartcosh that could provide space for up to 100 business nursery units.

Another £25,000 would be given to the Lanarkshire Industrial Field

Executive, the local enterprise trust, and £70,000 to a project aimed at setting up what Dr Grieves called a super-workshop complex.

Dr Grieves said BSC was attempting to ease the disruption to Gartcosh workers by offering early retirement wherever possible and cross-matching - that is, finding volunteers for redundancy with Gartcosh employees.

MPs' questions arose mainly from fears that the closure of Gartcosh would lead to the closure of the nearby Ravenscraig steelworks.

Sir Robert Haslam, chairman of BSC, denied that Ravenscraig would be at a disadvantage to other BSC works in trying to secure its future in the next three years.

### BSC seeks to mitigate Gartcosh job losses

BY MARK MEREDITH AND IAN RODGER

THE BRITISH Steel Corporation Executive, the local enterprise trust, and £70,000 to a project aimed at setting up what Dr Grieves called a super-workshop complex.

Dr Grieves said BSC was attempting to ease the disruption to Gartcosh workers by offering early retirement wherever possible and cross-matching - that is, finding volunteers for redundancy with Gartcosh employees.

MPs' questions arose mainly from fears that the closure of Gartcosh would lead to the closure of the nearby Ravenscraig steelworks.

Sir Robert Haslam, chairman of BSC, denied that Ravenscraig would be at a disadvantage to other BSC works in trying to secure its future in the next three years.

### Your duty-free springboard to the U.S.A.

When you are considering a site for a new manufacturing plant, take a long look at Barbados.



Under the Caribbean Basin Initiative (CBI), you have duty-free access to the vast U.S. market, only 4 hours away, with production costs one third of the U.S. or Europe.

For Europe you also have a competitive edge under the Lomé Convention. The infrastructure and communications network are waiting for you, with all the advantages of political stability and a generous range of tax incentives.

Send the coupon, and we will send you all the information.



14, Av. Lloyd George  
B-1050 Brussels  
Tel. 32-2-648 10 26

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Product \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Tel. \_\_\_\_\_

### THE BEST WAY TO RUN A COMPANY FLEET IN TODAY'S FINANCIAL TIMES.

In an increasingly competitive world, every aspect of your business must pay its way. That includes your company fleet. Instead of being an asset, it often ends up a frightening liability, literally burning up your money, and consuming all your time. The simple answer is to use Fleet Management Services Ltd. With a specifically designed system to handle anything from leasing and contract hire to a complete, sophisticated fleet management service, you'll be counting the benefits for your company, instead of counting the cost. For further details please return the coupon or telephone Mr Ford on (0743) 24121.

Fleet Management Services Ltd.  
LEASES CONTRACT HIRE FLEET MANAGEMENT  
Services Ltd., 21, Jermyn Street, London SW1Y 4LP.  
Telephone: 0743 241212

**PROPERTYLINE**  
0800 83 33 83  
LinkLine - straight through for free.  
When you need hi-tech or industrial space, phone Standard Life Propertyline - first. Standard Life has business and hi-tech industrial parks in prime locations. In Manchester, Birmingham, Dunfermline, Milton Keynes, Basingstoke, Oxford, Watford.... They also have years of experience in development and management to make certain of the services and facilities a modern enterprise needs. Plus the funds - and the land - to design and purpose-build for you, should you require. For the best in hi-tech and industrial property, ring Standard Life Propertyline - now. P.O. Box No. 62, 3 George Street, Edinburgh EH2 2XZ. All bona fide agency introductions accepted.

**Standard Life**  
A development by Standard Life makes all the difference.

urged  
over  
ing ri

## CBI pay awards exceed 5% target

John Lloyd and David Thomas PAY RISES already conceded this year in companies the chairman of which are members of the Confederation of British Industry's (CBI) presidents' committee - the CBI in-ner-cabinet - are almost all within or above the 5-7 per cent band heavily criticised at the CBI's annual conference earlier this week.

The rises show that the "going rate" of pay settlements still operates and that inflation still the most powerful determinant of pay.

All of these rises were conceded before the message from the CBI conference - to give no pay rises unless earned by productivity - was agreed and shaped. But they were paid after the CBI, the main employer's organisation in the UK, had called last year for pay rises to move "firmly back below 5 per cent." Nearly all of them exceed that target.

The food and drink division of Reckitt and Colman, the chairman of which is Sir James Cleminson, the CBI president, paid between 6.1 and 6.7 per cent in 1984 and between 4.6 and 5.3 in 1985, in a two-year deal - a declining trend.

Smith Industries, chaired by Sir Alex Jarratt, chairman of the CBI employment committee, paid 6.5 per cent, up from 6 per cent in 1984.

Unilever's Birds Eye division paid rises between 5.5 and 6.5 per cent, up from 4.5 to 6 per cent in 1984.

Sir Kenneth Durham, chairman of Unilever, told the CBI conference on Tuesday that "Government is right to castigate us on wages."

Glass, chaired by Sir Austin Bide, paid out 8 per cent, up from 7.5 per cent last year. British Aerospace, chaired by Sir Austin Pearce, paid rises between 4.75 and 8 per cent, up (in most cases) from the 5 per cent rise in 1984. The figures are supplied by Income Data Services, an independent pay research group.

Some companies are already operating according to the new order. Ford, formerly chaired by Sir Terence Beckett, the CBI director general, has offered its staff and management workers only 3 per cent (plus 2 per cent to line workers).

CBI pay deals, Page 11

□ A PURGE of extremists in the Labour Party was ruled out by Mr Larry Whitty, the party's general secretary. He told journalists at Westminster that he was against purges and heavy central discipline, but he appealed for tolerance and comradeship to build the unit necessary for a general election victory.

□ MRS MARGARET Thatcher, Prime Minister, will chair a seminar on crime prevention early in the new year. The decision to hold the seminar was disclosed by Mr Douglas Hurd, the Home Secretary. He said that too many people still thought that stopping crime was just a matter for the police but it should be central. He said Mrs Thatcher wanted to stimulate ideas and to put "some sharp and urgent questions."

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturing company, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

## MPs urged to vote for televising of Parliament

BY PETER RIDDELL, POLITICAL EDITOR

A DECISION to televise the House of Commons was "probably as fundamental to Parliament in its implications as was Disraeli's 1867 Reform Bill, which almost doubled the size of the electorate," Mr John Biffen, the Leader of the Commons, claimed last night.

He urged MPs to vote in favour of an experiment next year of televising the House.

Mr Biffen's personal support for televising followed powerful speeches in favour from Mr Edward Heath, the former Conservative Heath, Mr Michael Foot, Prime Minister, Mr Michael Foot, the former Labour leader, and Mr Peter Shore, the Shadow Leader of the Commons. There was also an eloquent plea against from Mr Enoch Powell, the Ulster Unionist MP.

The debate, which would itself have made short shrift to one of those House of Commons occasions that opponents of a television experiment are anxious to preserve. The grand men of the House spoke alongside obscure backbenchers in a debate of lively cut-and-thrust.

Labour left-wingers such as Mr Eric Heffer allied with Conservative traditionalists such as Mr John Stokes in expressing doubts. Mr

## UK NEWS

### Call for inquiry into metal exchange crisis

BY PETER RIDDELL, POLITICAL EDITOR



John Roy Hattersley:  
Debate on City wanted

custodian of good conduct in the London markets and as a representative of the host government to the ITC.

Mr Fletcher's question asks Mr

British: "If, in view of the continuing crisis in the London Metal Exchange and its implications for the financial sector generally and the tin industry in particular, he will make urgent inquiries into the affair which led to the sudden suspension of the activities of the bourse stock manager and of trading on the LME and into the implications for the Government's position as host country to the ITC, and if he

will make a statement."

There have been increasing calls for tougher government action over the City. These were raised yesterday morning at a private meeting of the Parliamentary Labour Party, when Mr Roy Hattersley, the Shadow Chancellor of the Exchequer, said he believed there was something wrong with the workings of the City. He would be looking for a day to debate the subject.

Mr Hattersley rejected the claim in a written question to Mr Leon Brittan, the Trade and Industry Secretary, is highly unusual so soon after leaving office. It highlights the extent of cross-party concern in the House of Commons about the tin crisis and about other scandals and problems in the City.

In the light of these worries, the opposition Labour Party is to launch a full-day debate, probably before Christmas, on the workings of the City of London. This will provide a rare opportunity for the City to be debated in the Commons. It will allow Tory as well as Opposition MPs to express their concerns ahead of the publication of the Financial Services Bill on the regulation of financial markets.

Mr Fletcher said last night that he was taking his question in view of the lack of response shown by the International Tin Council (ITC) and its member governments in reaching an agreement on how the present crisis should be resolved.

He was asking Mr Brittan to use the powers available to him as the

### Funds for housing cut back

BY RICHARD EVANS

THE GOVERNMENT has angered local authorities by cutting the capital expenditure allocations to councils for housing and other services next year, despite the higher priority promised by ministers for repairing and maintaining the housing stock.

The move follows the increase of £200m promised for the housing programme in the Chancellor of the Exchequer's economic statement last week, but instead of coming from a higher government allocation, as local councils assumed, it will have to come from receipts accumulated by authorities from council-house and other sales.

The Labour-controlled Association of Metropolitan Authorities reacted to the decision as a "bitter new level of double-speak" and claimed that it transformed the much heralded increase in spending on housing into a savage cut.

The unexpected change of tactic announced by Mr Kenneth Baker, Environment Secretary, in a House of Commons written answer, is seen as an attempt by the Treasury to exert more control over public spending on housing, which is at present running about £400m over target.

Local authority accumulated capital receipts have grown considerably over the last year or more, and are expected to reach £2.3m by the start of the next financial year in April. About 60 per cent comes from the sale of council houses.

Councils are allowed to use 20 per cent of these receipts as additional capital expenditure, and as the total will have increased sharply, more money will be available. The Department of the Environment regards the maintenance of the 20 per cent figure as a victory over the Treasury, which initially sought to cut it.

The halving of the proportion available to councils for additional capital expenditure from 40 per cent this year led to a furious row with local authorities, backed by a number of Conservative MPs.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE RENTS in the City of London are poised to rise by up to 15 per cent over the next year, according to Richard Ellis, the chartered surveyor.

Ellis predicts that prime office rents will rise from their present £35 a sq ft level to £40 a sq ft during 1986. By 1990, it expects office occupiers to be paying up to £50 a sq ft.

□ CONBLOCK of Denmark, an electrical component design manufacturer, has decided to transfer all manufacturing activities to its British arm in Newton Abbot, mid-Wales, from Denmark. The move will nearly double Conblock Electrical of Newton's annual sales to £2.7m and create up to 70 jobs.

□ OFFICE

We know you're unfailingly honest.



# Outrageous engagement system calls for you!

You get a complete, unbiased picture with all your balances and rates in one place.

Naturally, you spend

And more time.

## What's New

## Interaction

# ON THE CULTURE OF THE CHINESE PEOPLES

# ITS ABILITY TO PROTECT

So

1960 D 1

1996-1997 學年上學期第 10 週第 1 次定期評量

19. *Leucosia* (Leucosia) *leucostoma* (Fabricius) (Fig. 19)

10. *Leucosia* (Leucosia) *leucosia* (Linnaeus) (Fig. 10)

## TECHNOLOGY

EDITED BY ALAN CANE

Alan Cane looks at a genetic engineering company's strategy for long-term survival

# Research towards tomorrow's promise

FOR THE world's top gene engineering companies, it is still jam tomorrow, bread and butter today. They have had impressive success in the creation of new drugs using recombinant DNA and monoclonal antibody techniques, yet only three products made by these techniques are generating revenues for their makers.

These are insulin, used in the treatment of diabetes, human growth hormone used to treat dwarfism in children (both made by the industry's glittering leader, Genentech) and a veterinary product used against scours in livestock.

The rest are still passing through all the extensive pre-clinical studies and clinical trials necessary before any new drug reaches the market place.

It leaves genetic engineering companies with a difficult balancing act: how best to sustain revenues and continue to support the essential research and development through the six or more difficult years until any product starts to repay the investment.

Cetus Corporation, a major player in the biotechnology

business based in Emeryville, California, is tackling this balancing act with realism and is using a number of approaches which are novel in the genetic engineering world.

It reckons to have a broader technological base than its principal competitor, like Genentech and Biogen, but it also has a narrower focus. It is aiming principally at the prevention and cure of cancer.

"Version" is the right word. Proteinkin is not identical with interleukin-2; the protein structure has been subtly altered or mutated in the genetic engineering process.

Cetus calls these "mimetics". One of the principles which drives the company is the search for mimetics which are more effective than the natural protein either in their activity, chemical stability or other factors.

An advantage which Cetus sees in seeking mimetics rather than the natural protein is that they are patentable. It was able to secure the US Comptroller of Patents Patent for proteinkin earlier this year.

Its third line of research is

directed towards developing immunotoxins, proteins with an affinity for specific cancers coupled to a poison which selectively wiped out the cancerous cells.

Cetus

involved—the protein, invariably a monoclonal antibody, the toxin and a linking protein. According to Cetus, its biotechnology techniques enables each of these components to be improved. It is scaling up its breast cancer immunotoxin production programme and expects

to begin human clinical trials early next year.

The company is also working on tumour necrosis factor (TNF), a substance which seems to have remarkable ability to destroy tumour cells.

Cetus has developed a range of mimetics of TNF and claims: "Several are more active than the native recombinant protein."

Interestingly enough, scientists believe that TNF is physically identical with another natural protein,

cytokeratin, which is implicated in fat metabolism. Some believe that the weight loss seen in some cancers is a result of TNF activity.

Cetus' fifth line of investigation concerns a protein called colony stimulating factor-1 (CSF-1) a protein which helps control the growth and development of the macrophages, white blood cells which play an important part in the body's defences against bacteria, viruses and so on.

CSF-1 is a rare protein found

in very small quantities. Cetus' success in cloning CSF-1 is a considerable tribute to the skill of its genetic engineers. Clinical trials again, are expected to begin in 1986.

So Cetus has a strong armoury of anti-cancer and anti-viral weapons behind it, but they are still years from generating profits.

And in the meantime, as Cetus' president and chief operating officer Dr Robert A. Fildes has been telling European investors this week, the company is pursuing its principal goal, to become a fully fledged pharmaceutical company.

Genentech is already further down that route with the recent announcement that it will market its human growth hormone, Protoporph, under its own name.

The company therefore has to have the financial staying power to develop its human healthcare business and it is doing that by minimising depletion of its funds while looking for extra funding. Dr Fildes emphasises, however, that while the company would welcome further European investment, currently around the 5 per cent mark, it had no intention of making a public offering.

In 1985, its revenues were \$57.2m with profits of \$1.2m. It has about \$85m on hand and Dr Fildes reckons its outgoings have stabilised. Its approaches to raising external funding are:

- A joint venture company in the veterinary area, Agro-cetus, with W. R. Grace to which Grace will give \$80m over five years to fund research and development.

- Joint ventures with Nabisco and Weyerhaeuser in the development of industrial processes.

- A joint venture between Cetus and Ben Venue, a manufacturer of generic anti-cancer drugs. A strange liaison, perhaps, between a company at the leading edge of technology and a manufacturer of drugs out of their patent period but Dr Fildes explains it will mean the development of a profitable near-term business, acquisition of a hospital sales force and provide products which could be used in Cetus' immunotoxin programme.

The Norwegian parliament has asked the government to provide background material by 1990, which would enable it to decide whether wave power would be an economic alternative—or supplement—to continuing hydro development which many Norwegians oppose on environmental grounds.

Mr Paul Bonke, Kvaerner project leader, argues that a large wave power plant—costing about Nkr 100m—should be built soon, so that by 1990 it would have been in operation long enough to provide material for a realistic assessment of the wave energy option.

Mu is New  
MORE PEACE-LESS PRICE

CalmCover  
Micro-Printer Silencers

0845 224444

## Briefing on factory automation

FOLLOWING THE joint effort by General Motors and Boeing at the Detroit Auto-fact show to bring some order out of chaos in factory data communications, there is to be a May briefing for senior management in London.

The two hours meeting and lunch is being organised by Beale International Technology of Wraysbury, Middlesex and Ship Star Associates.

Beale International Technology is a UK consultancy and training organisation that has been trading since its formation. Ship Star Associates has recently been formed by Mr Bob Crowder and Mr Mark Graube. Mr Crowder is a founder and vice-chairman of the US Map Users Group while Graube serves on important US standardisation bodies.

The briefing will be at the Cafe Royal on Tuesday November 26 and the fee is £250. Contact Denise Tenlen at Beale International Technology (0784 23115).

## Tool controller

MACHINE TOOL controllers able to control up to 27 axes simultaneously have been developed by Kongsberg Systems Technology of Midsund, part of the Norwegian engineering group.

The Kongsberg Integrator is engineered to integrate machine tools into manufacturing systems and will be compatible with Kongsberg's existing product range.

The system is based on a Siemens SIMATIC controller with additional software that will offer protocol code conversion and message interfacing, tape compatibility with the Kongsberg CNC8000 range and other manufacturing data facilities.

More on 0628 33292.



Cetus chief scientist Frank McCormick working on antibody reagents for cancer research

## Islands may benefit from trials in alternative energy sources

This experimental wave power station is helping to show how communities need not remain dependent on diesel generators, Fay Gieseck reports from Oslo.



NORTH SEA storms are helping to heat and light the homes of 200 families on the weather-beaten island of Tofsay, on Norway's west coast, some 25 km north-west of Bergen.

The island is the site of two experimental wave power stations, of totally different design, both of which were officially commissioned last week by Mr Kari Kristiansen, Norwegian Energy Minister. Between them they are designed to produce an annual output as high as 3.5 gigawatt-hours (3,500 Mwh).

One generator, based on an oscillating water column, was designed and built by Norway's Kvaerner heavy engineering group. The other, the brainchild of scientists at Norway's Central Institute for Industrial Research, uses a wave focusing device to push water up a sloping channel to a basin at the top of a cliff. From here the

water is harnessed in the normal way, by a hydro power plant adapted with corrosion-resistant components to be driven by salt water.

Both stations are performing even better than expected and have already attracted keen foreign interest; visitors last week included a group of wave power specialists from the OECD.

The companies involved believe there is a large potential export market for them—particularly in remote island communities now dependent on diesel-driven electric generators—for their power supply.

Kvaerner expects to sign its first foreign contracts before the end of 1986.

Norwave, the company formed to exploit the wave focusing concept, says the Tofsay prototype produces power at an average cost of just over Nkr 0.50 (4p) a kw/hour. However, as well as actual building costs this price

allows for the Nkr 13m spent over the last 10 years, in evolving the design.

A Norwave executive estimates that larger versions of the plant, built under normal commercial conditions, could deliver power for as little as Nkr 0.25 a kw/h.

Kvaerner puts the price of power from its prototype—also allowing for design costs—at just over Nkr 0.40 per kw/h. It reckons that a larger, commercial plant could supply electricity at around Nkr 0.30 a kw/h.

The possible future prices quoted by Norwave and Kvaerner would be competitive with the cost of power from the most expensive Norwegian hydro schemes now in the planning stage. But the centre-right government is strongly committed to hydro—which many important Norwegian companies have an interest.

It has so far refused, for ex-

ample, to purchase even one of the highly successful Danish windmill generators for testing in Norway—one of Europe's most windswept nations. It is unlikely therefore to rush into large scale construction of wave power plants.

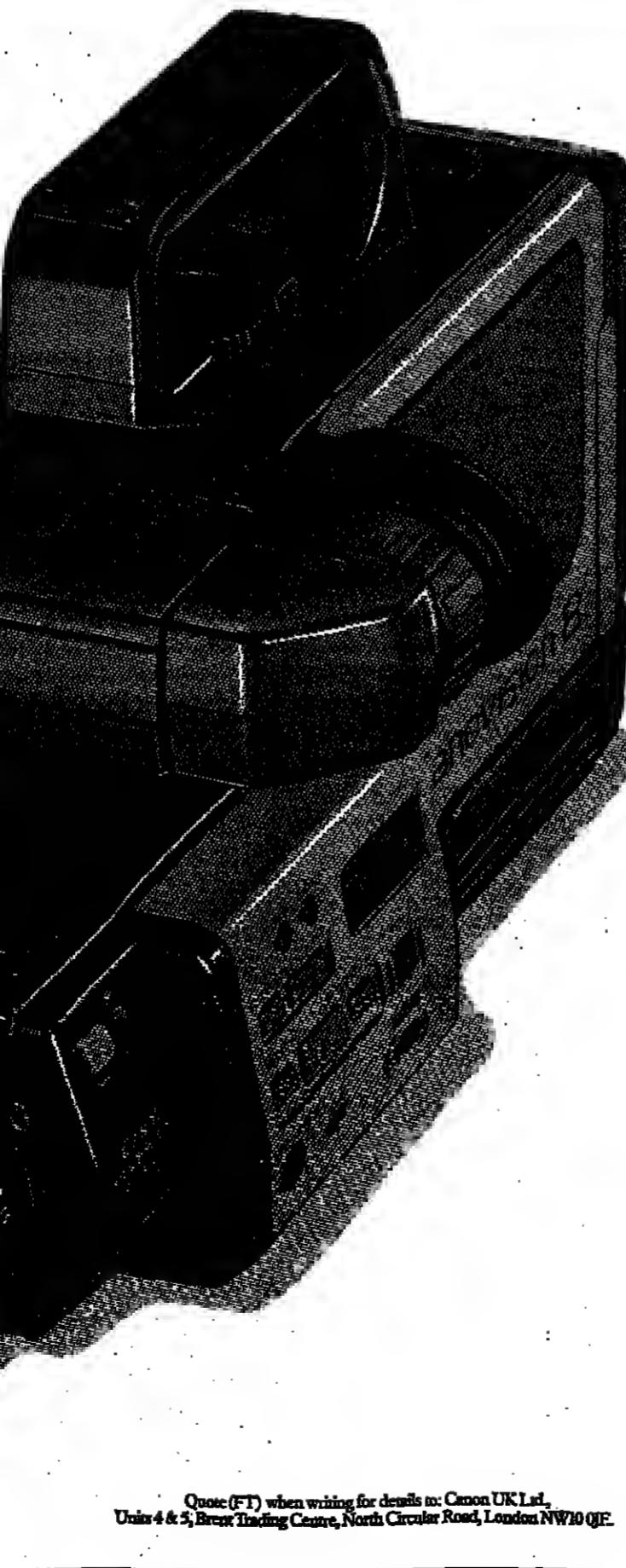
The Norwegian parliament has asked the government to provide background material by 1990, which would enable it to decide whether wave power would be an economic alternative—or supplement—to continuing hydro development which many Norwegians oppose on environmental grounds.

Cetus has been accused in the past of identifying corporately a little too much with the whale that gave it its name; its current strategy, however, seems powerful and well-directed.

But for success in genetic engineering, manipulating

funds is clearly now as important as manipulating genes.

**Canon**  
**VIDEO**  
**Canovision 8**



Quote (FT) when writing for details to: Canon UK Ltd,  
Units 4 & 5, Brent Trading Centre, North Circular Road, London NW10 0QE.

## On your days off, take it easy.

What's your favourite pastime? Taking out the kids, meeting up with friends, swimming, jogging, or improving your golf swing?

Whatever it is, take it easy, with the new Canovision 8.

When you  
link our reputation  
for the highest  
quality lenses with  
the most exciting  
development  
in video for years.  
The result is the  
new Canovision 8,  
a product that's even better to use than it is to look at.

Play it straight into your TV.\* Great pictures,  
Great sound, without the need for an additional recorder.

### FULLY AUTOMATIC

The Canovision 8 (VME) is a fully automatic one-piece camera and recorder.

It's light (2kg) and as comfortable to hold as it is easy to use, helped by the latest Canon infra-red autofocus system.

### PICK IT UP AND GO

Use either a rechargeable battery, a car's cigar lighter socket or the mains. And with an electronic viewfinder that plays back what you've just taken on location, the Canovision 8 really does go anywhere.

\*Via VPEI power adapter or RF unit RU-E1.



Canon  
Official Camera  
of The Royal & Ancient

## THE MANAGEMENT PAGE : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

### Jaguar cars

## The sleek cat springs into the Saudi market

BY MICHAEL FIELD

FIVE YEARS ago the only British car the Saudis knew at home was the Rolls Royce. Other British cars were rather despised and almost unknown in the Kingdom and in all the other Arab oil states.

British Leyland had only recently been removed from the Arab Boycott Office's blacklist, after disposing of investments in Israel and Ford was still on the blacklist. Chrysler and Vauxhall were not in the market because their American parents preferred to sell their American rather than their European models.

It was often said in Saudi Arabia that seven years after the oil price explosion it was too late for a British company to try to break into the market.

The situation has not exactly been revolutionised by Jaguar's entry into Saudi Arabia, but the company has solidly established itself there and according to its own and its agent's figures has easily overtaken BMW.

The market in Saudi Arabia for luxury cars—the bigger Mercedes and BMWs, Jaguars, Cadillacs and Buicks—is at least twice as big per million of population as it is in Europe. Despite the recession which has followed the decline in Government oil revenues it is expected that sales of these cars in the Kingdom this year will be about 6,000, which makes the market about a third the size of that in Britain.

The agent that Jaguar, together with Land Rover and Austin-Rover, chose after BL was taken off the blacklist in the later 1970s was Arabian Automotive, part of Suliman Olayan's group, which is reckoned to be one of the two or three biggest, most modern and most efficient trading operations in the Arabian Peninsula.

The group, which is based in Al Khobar, had previously had the agency for Chrysler, though just for the Eastern Province of Saudi Arabia, and had been selling about 1,000 units a year. Its new agencies cover the whole Kingdom and its sales target for all three this year is about 1,500.

Except for those figures given for their own sales by Juffali's Arab managers, who are possibly harder headed than their competitors, these projections, like many other statistics (and statements of "fact") in the Middle East are greatly influenced by wishful thinking.

Olayan's managers also claim that Al Hussaini later made the mistake of not having a definite pricing policy, which more than once left it at the end of

the selling season, in the spring, with excessive stocks which it had to discount.

The figures, anyway, are less interesting than the methods which Jaguar used to build its market, which explain much about Saudi Arabia as a market.

The company and its agent had their marketing on personal contact and good service, which is extremely important in a country where people are personality rather than institution-conscious and where buying decisions are made more in response to personal recommendations than to advertising.

Olayan's managers concentrated their initial sales efforts on opinion leaders, particularly princes and their wives and sisters. They arranged for the princes' cars to be driven for them from Riyadh to the cool mountain resort of Taif where the Government moves in the summer. A dealer was appointed in Taif and supplied with a large stock of spare parts and several trained mechanics.

Interestingly, Asad Ali Khan, the Pakistani general manager of Al Hussaini, tells exactly the opposite story. He says his own company operates a consistent pricing policy but that Jaguar/Olayan sell their cars too cheaply and offer discounts, thus "diluting" their image.

In a milder vein the Olayan managers observe that Al Hussaini made some mistakes in its advertising, though they admit that they have had some of the same problems themselves. Both companies' difficulties stemmed from their wanting to avoid relying on the very amateurish local advertising agencies.

The fault in the BMW campaign was that it was organised too much by European agencies, which led to there being too much text and too poor a visual presentation of the product—a serious shortcoming in a market which is now largely literate but not reading-minded. The Arabic copy, furthermore, seemed to have been translated from German or English by a Syrian or Lebanese.

Olayan's similar problems



SELLING JAGUAR—SAUDI STYLE

Selling Jaguars—Saudi style

Everybody on our assembly lines knows that the best possible quality control lies in their own hands. That's why they take extra care to ensure that body surfaces are smooth, free of perfect and welds spot on. Even where robots are used.

Of course, that's not to say we don't have a team of line inspectors. We do.

But in addition to that we carry out a special "Quality Audit" on a random selection of finished cars.

This covers 200 checks on everything from paint thickness to body alignment.

All this adds up to what we at General Motors call our commitment to overall excellence. We believe it goes a long way to explaining why the Cavalier was the best selling car in its class in 1984, and why the Vauxhall Cavalier has won the "Car of the Year" 1985 Award.

Don't you?



General Motors. The name behind a great British family.

VAUXHALL BEDFORD CASPIA ACDELCO ACIRKPLAS DELCO PRODUCTS VANDEROOT SAGWAY GMAC

Part of the ad designed to improve awareness of the car maker's range of activities

## GM blows its own trumpet

Feona McEwan on the US car maker's first UK corporate campaign

WHAT PROMPTS an American car-maker to sink £600,000 in upmarket UK magazines and newspapers to tell the world's people "the name behind a great British family?"

The company is General Motors, the world's largest car manufacturer. This autumn its UK arm has launched a corporate advertising campaign with this slogan, the first such exercise in the company's 60 year presence in the UK.

The starting point for the campaign was to research people's attitudes to the company. What did the initials stand for? Had they heard of the company? What nationality was it? And how did GM relate to its most famous UK badge, Vauxhall? "Results showed us that our image was thin compared with Ford, our main competitor," says Eric Fountain, director of public affairs.

This came as a shock to some senior management which believed—as is all too common within big companies—that outside perceptions matched inside ones. The reality showed a gaping chasm. Only 58 per cent recognised the initials GM immediately and 48 per cent identified it as being American.

However, while it was expected that the GM link with Vauxhall would be seen as a negative factor, it emerged that 57 per cent of interviewees felt it to be a plus.

Traditionally General Motors, with headquarters in Detroit, has run its overseas operations at arm's length. This has meant that the disparate UK-based operations under the GM umbrella have each tended to go their own way on the promotional front. The corporate plan is now to bind them together under the GM label. Since Vauxhall has the most visible product (passenger cars) it spearheads the campaign, with commercial vehicles like Bedford trucks and components companies like AC Delco and AC Spark Plug in tow. "We want to make everyone aware of GM's total contribution," says Fountain.

Also, says the company, such comments do not tell the whole story—GM claims that across its range of commercial and corporate advertising is one of the most export from the UK—dealers, excluding Vauxhall/Opel/Bedford dealers.

Fountain explains the impetus

behind the campaign. "When we launched the Cavalier and realised its success we decided that if Vauxhall was to continue to rise in sales, we had to support not just the straight product but the image behind it." And while "the sales of passenger cars exceeded our expectations (this has disappointed the Government which would like to see us go faster) our other sectors are net exporters." Bedford exports nearly half its trucks and AC Spark Plug around 75 per cent of its components. The corporate advertising aims to pool this information.

No advertising stands a chance of succeeding unless the product is right; Vauxhall served an ace with the Cavalier which challenged rival BL and Ford head on. Since 1980 the company has more than doubled its market share to 16 per cent and now aims to increase that by 1 per cent a year.

A combination of three factors speeded Vauxhall's cause, says Ian Parker, account director at Charles Barker City, which is handling the advertising. The Cavalier established a name for quality and durability; company employees were given a wider choice of car and Ford failed to score with the new Sierra, he says.

The campaign is for the press only and so far two ads have been developed, one focusing on quality control and the other (out next month) on exports. The GM logo is there to give the American identity but no address is given. In fact there is no such thing as GM in the UK. "The idea is to show GM Detroit endorsing its support for the UK," says Parker. The target audience is decision makers, primarily defined as AB businessmen.

## Europe's success story

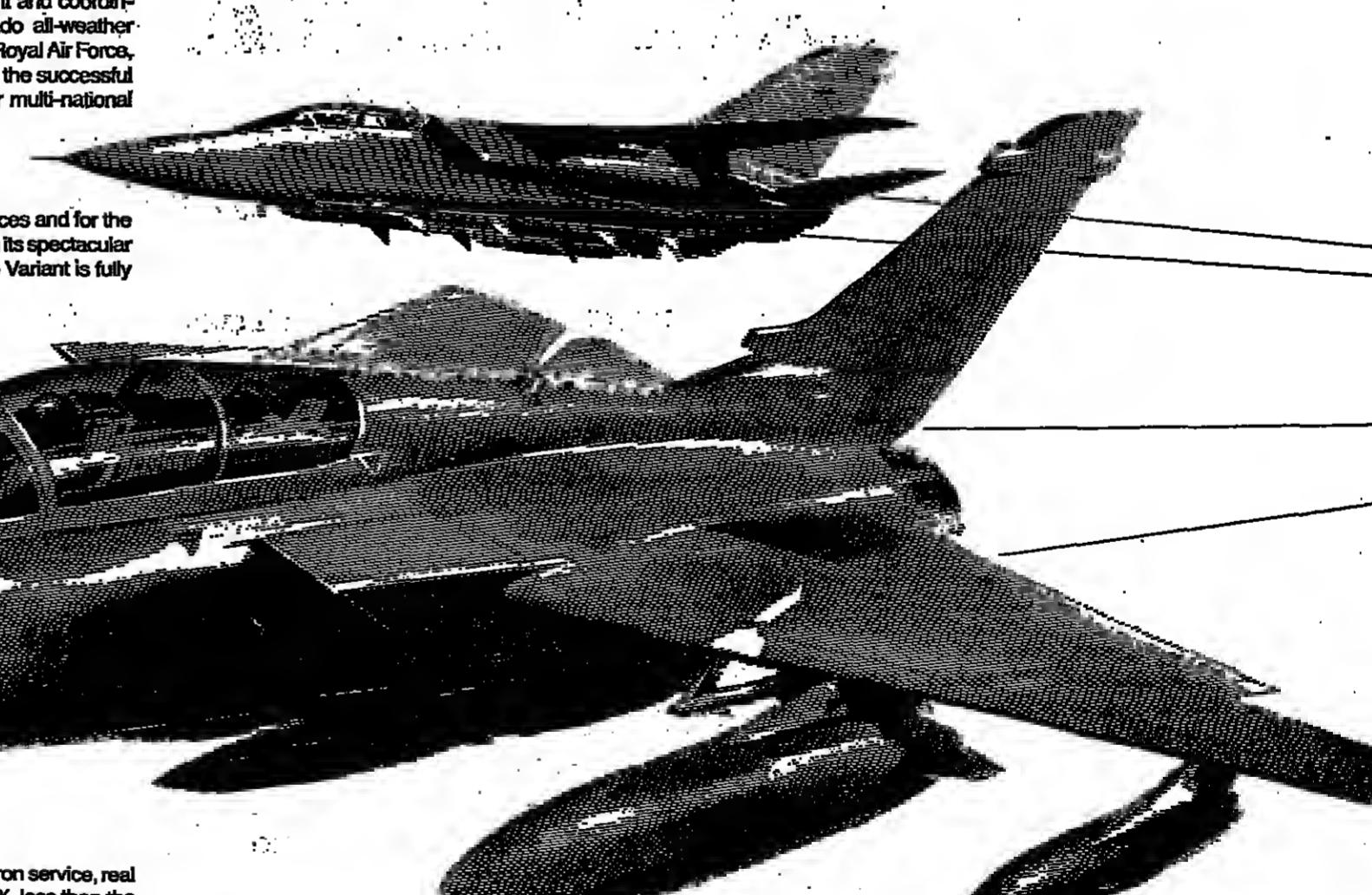
Panavia Aircraft GmbH is the tri-national company formed by British Aerospace in the United Kingdom, Messerschmitt-Bölkow-Blohm GmbH of Germany and Aeritalia of Italy for management and coordination of design, development, production and in-service support of over 800 Tornado all-weather combat aircraft ordered by the three nations. With nearly 500 aircraft now delivered to the Royal Air Force, German Navy and Air Force, and Italian Air Force, Panavia has proved itself a model for the successful industrial management, within strict performance and cost-control disciplines, of major multi-national defence programmes.

### Successful aircraft and weapon system

Tornado IDS has successfully met the low-level requirements of the four launching Services and for the past 2 years in succession has proved itself the Western World's premier strike aircraft with its spectacular successes in the USAF Strategic Air Command Bombing Competition. The Air Defence Variant is fully meeting the RAF and NATO requirement for long-range all-weather air defence.

### Successful multi-national concept

During series production, 99% of the money provided for the programme by the participating governments has flowed into the industries of the respective countries and thus ensured that taxpayers' money has been turned into national employment.



### Successful cost control

Over the 10-year period embracing prototype development through to operational squadron service, real costs have risen less than 10%. Final fixed price of production batches has averaged 6% less than the maximum price agreed with the customer.

### Successful central management

With Panavia, one authority was established for selection and procurement of systems and equipment, ensuring unanimous decisions and applying common contractual procedures. A central computer system, linked with main industrial partners and customer agencies and the operating Services, has enabled a streamlined organisation to operate with a manpower of only 200 employees in control of a tri-national programme involving up to 70,000 people.

### Successful experience

Excellent communication, with industrial consortia for Tornado's avionics and engine, and with a large number of leading industries in the equipment field. In this, Panavia has earned the confidence of the three customer governments and four NATO air arms. Not without good reason have the highly developed Omani and Saudi Arabian air forces now also chosen to put their trust in Panavia and will soon be flying 80 Tornados.

AERITALIA BRITISH AEROSPACE MESSERSCHMITT-BÖLKOW-BLOHM  
**PANAVIA**  
Our success is Europe's defence



# As from today don't make a move without us.

Just one visit to the new CNT Property Centre gives you a choice  
of 12 New Towns in one location.

Britain's new CNT Property Centre near London's Piccadilly is now open.

So if you're thinking about moving your business, making an investment or looking for land to develop there are powerful reasons why we should be your first stop.

The CNT Property Centre has more industrial and commercial space, more warehouses and more development land in more places than you believed it possible to find in one location.

But we also help to simplify the selection process by bringing a rare combination of industrial, commercial and governmental experience to bear on your particular problem. And that applies whether your company is large or small.

The CNT is responsible for the assets

of 12 mature New Towns up and down the country: all with easy access to motorways and major centres.

They contain prime properties in all sizes. Some to purchase, some to rent. And many have the added advantage of being in intermediate and development areas or an enterprise zone.

So much choice of opportunity, free service and sound advice in one location could save you weeks of trudging round from office-to-office. Not to mention town-to-town.

Your first step towards successful relocation or investment is to telephone James Grafton's office on 01-935 6100.

Otherwise you'll always wonder what you missed.

## THE ARTS

## Exhibition/Roy Strong

## The enchantment of decay and melancholia

I think I must be an unacclaimed New Georgian and not a relief of the swinging Sixties after all. The enchanting exhibition of the work of Richard Shirley Smith at the RIBA Heinz Gallery (until December 21) reminded me of my earliest responses to the visual arts in the late 1940s which led to an unswerving devotion to the tradition of romanticism. In our post-modernist era, where there is at last room for aesthetic alternatives to those who have always adhered to the discipline and vision of this tradition during the period it was out of fashion are being accorded rightful recognition.

Some of the recognition comes from a new generation of artists, such as the young Mynots, who have had to recover the lost rigours of drawing and technique, perspective and painterly illusion which were discarded by the colleges of art as so much worthless rubbish in the 1960s. I remember how students stood amazed before a 19th century student's painstaking chalk drawing of a plaster foot in the Victoria and Albert's exhibition *Drawing, Technique and Purpose* knowing that it was being accorded recognition.

A book which encompasses comprehensively the survival of this romantic revivalism has not yet been written. This is the stream to which Richard Shirley Smith's work belongs, one which stems back to the between-the-wars arcadia of Rex Whistler's designs and decoration, Beaton's romantic images of the Queen Mother in the style of Winterhalter, the architecture of Raymond Erith, Oliver Messel's stage designs, the country-house decoration of John Fowler and the potent choreographic visions of Frederick Ashton. The latter indeed have never left the stage

ensuring that the romantic eye remained fed during the most barren of periods.

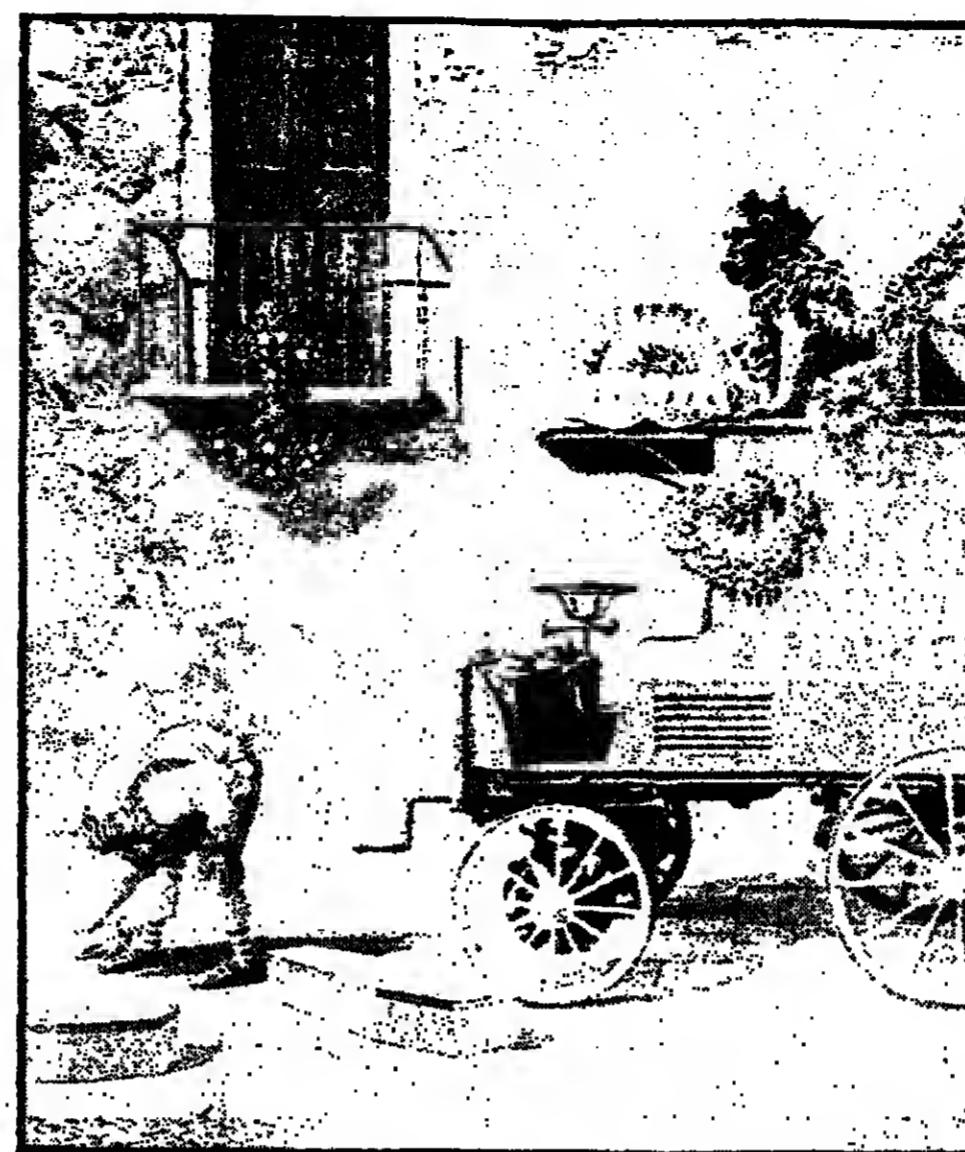
Most of the above were and are long lives carrying these values through an alien era, but for artists of the generation behind them it must have taken some nerve to swim against the tide of fashion in the art schools of the late 1950s and 1960s. Those that, and personal tragedies, accounts for the melancholy mood of Richard Shirley Smith's subject matter. Rex Whistler's world was an elegant one bursting with wit and Hogarthian humour. Shirley Smith's ruins exude and reveal in decay. His light opaque palette, making use of a stunning technical illusionist virtuosity delights in every crack and chip in every surface. He uses strange juxtapositions and confrontations, creating a mystery which is much closer to Chirico and Dali but whose light is an obsession with the architecture of the classical and Renaissance periods. His natural use of objects as attributes and emblems with inner hidden meanings would have made him an ideal artist to respond to a programme drawn up by a humanist at the Medical

Court. In *Vanity* we look into the distance and contemplate an ancient farmhouse in decay. The foreground is filled by the lower half of the statue of a classical female figure. At her feet rests a looking glass; behind her the drawers of a chest disgorge fluttering ribbons, while a butterfly alights on the plinth.

The pavement in *Fatal Allegories* is scattered with tiny coins. In *Romos Extinguisher* a lizard scales a crumbling wall to peer at a fire and bell suspended in an alcove. This is an accumulation of private images whose decorative surfaces totally belie their sinister intent. So too does the

Inevitably such an artist has received commissions for murals. They are clearly highly accomplished but I do hope that this considerable talent and arresting eye will not be used just for scene painting. Richard Shirley Smith is an artist of integrity who has a disturbing visual perception to convey.

Oddly his fundamental penchant for the mysterious and macabre makes him inappropriate for these commissions to which his technical expertise is so ideally suited. The overtones of his subject-matter are not suitable for a drawing room or an entrance hall; hence these seem to me to give him the craftsmanship of the man but not the inner soul. The paintings and wood engravings, however, register the pulse of a complicated inner mind whose aim in life cannot be to go down in history as the purveyor of decoration devoid of serious content. The former will remain therefore his true monument.



Detail from "Fatal Allegories" by Richard Shirley Smith

## Carnegie International/Pittsburgh

## Sarah Fox-Pitt

The Carnegie International contemporary art exhibition in Pittsburgh has been marked with the award of two prizes of £10,000, to the German artist Anselm Kiefer and the American sculptor Richard Serra. This is the first time that the prize has been given to two artists simultaneously since the two were launched in 1896.

An international jury of six selected Kiefer's painting, *Mitgard-Viñard*, 1980-85, and Serra's monumental sculpture *Carnegie 1984-85* from the exhibition of 150 works by 45 artists from Denmark, Germany, Britain, Holland, Italy and the US.

The event, which has been triennial since the 1950s, was founded by the philanthropist and industrialist Andrew Carnegie. He wished to exhibit, he said, "the old masters of tomorrow," providing the Carnegie Institute with the opportunity to build up a collection of the world's finest contemporary art. The pieces by Serra and Kiefer will now pass into the collection along with paintings by Susan Rothenberg and Robert Ryman, the US, George Baselitz and Sigmar Polke of Germany, and Howard Hodgkin of Britain. Works by the British sculptors, Richard Deacon and Bill Woodrow are under consideration.

For the European connoisseurs in search of the latest twists and turns in new art, there are few surprises. The general impression is that a fine collection of large-scale and important contemporary works has been assembled, representing the best of the mainstream. In terms of numbers and size, the vigour of the "new Euro-

pean" figurative expressionism dominates. But the sheer mass and rigour of the grand masters of conceptual and minimalist art redress the balance.

Works by LeWitt, Ryman, Mangold, Marden and Kelly act as a stabilising force in the battlefield strewn with the emotions of agony and ecstasy of younger artists.

In a break with Carnegie tradition, 10 artists were invited to make "site-specific" works at various locations within the museum. The Italian artist Luciano Fabro was permitted to specify the square-footage to be required for his sculpture *La Dialetica*, 1985, with no incursions by other works. In both cases this has paid dividends.

Lo *Dialetica* is a powerful

metaphysical commentary on

temporality and the timeless,

which enigmatically emerge as interchangeable.

A central block of white and grey marble with a Cyclopian eye and mouth, evoking the slow evolution of stone and man, is contrasted with a spider's web,

fragile and temporary, yet

strongly anchored, like Cal-

vin's book *Invisible Cities*, the language of our "internal accounting."

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self-portraits by Cindy Sherman remind us of the earthly conflicts of hope and despair.

These are sought through motifs of transformation and mutilation, leading to an inscrutable madness.

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent

past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self-portraits by Cindy Sherman remind us of the earthly conflicts of hope and despair.

These are sought through motifs of transformation and mutilation, leading to an inscrutable madness.

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent

past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self-portraits by Cindy Sherman remind us of the earthly conflicts of hope and despair.

These are sought through motifs of transformation and mutilation, leading to an inscrutable madness.

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent

past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self-portraits by Cindy Sherman remind us of the earthly conflicts of hope and despair.

These are sought through motifs of transformation and mutilation, leading to an inscrutable madness.

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent

past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self-portraits by Cindy Sherman remind us of the earthly conflicts of hope and despair.

These are sought through motifs of transformation and mutilation, leading to an inscrutable madness.

Equally intense are the per-

sonal concerns with historical

tragedy and mythology explored

on huge canvases by Polke and Clemente in delicate and muted

figuration. Clemente uses

shadow-iconography from Italian old masters over which are layered grotesque messages and graffiti of today's distortions of those older "truths."

His *World War III*, 1983-94

takes us into a blind and frightening future. Polke draws his images from the more recent

past of Hitler's reign of terror, using photographic techniques to layer his figures between expressions of pain. In *Paganini*, 1982, the musician lies on

his deathbed with the devil as jester beside him playing the violin. The notes issuing from the violin and the dying man's lips are swastikas swirling on a cold wind.

The British participants, Deacon, Flanagan, Freud, Gilbert and George, Hodgkin, Morley, and Woodrow, represent a broad cross-section of the diversity of painting and sculpture today... With the exception of Morley and Gilbert and George, the British work is generally smaller in scale than many of the other exhibits, and has a jewel-like quality of technical and sensibility.

This work brings Stella

closer to the concerns of

younger artists who are exploring concurrent metaphors for life and death, heaven and hell.

Four large photographic self



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telegrams: Finantimo, London PS4. Telex: 8954871  
Telephone: 01-248 8000

Thursday November 21 1985

# Curbing EEC grain output

THE LEADERS of Britain's farming community are set today to consider a sea change in their strategy for dealing with the EEC's cereal surplus. Up to now, the National Farmers' Union has argued for a mixture of price restraints on cereals and increased protection against competing imports of so-called "cereal substitutes" as the best means of curbing rampant over-production of grain.

All the signs are, however, that the union's ruling council will today switch its allegiance to a policy aimed at restraining production more directly—either by setting a quota on what each farm can produce, or by controlling sales of inputs such as fertilisers. The farmers have brought about this reversal. First, cereal farmers have observed how their dairy colleagues have adapted to the milk production quota imposed by the EEC last year.

Dairy farmers initially greeted this move with outrage. But many of them are beginning to accept quotas with some equanimity, particularly since most people believed that a sharp price cut was the only other option for discouraging milk production. Indeed, as demonstrated by this year's CAP negotiations, the fact that production is now under control can be used as an argument for modest price increases.

More fundamentally, however, the NFU has come to believe that price restraint of the limited kind it has advocated up to now will simply not work in holding back output, or in cutting the cost to the EEC of buying up the surplus. There is force in this argument. It has always been apparent that, far from persuading some farmers to quit, small price cuts are more likely to encourage them to try to maintain their incomes by producing ever greater surpluses, and that only large and sustained reductions in price will force farmers to stop growing cereals on marginal and less productive land.

It is also clear that EEC farm ministers are not going to agree on price cuts of this magnitude. After its vain attempt to persuade West Germany of the need for a small reduction earlier this year, the European Commission appears to have given up the fight. The strategy for cereals it produced last week abandoned the idea of high price cuts and called instead

# High costs of civil justice

"EACH OF us has to remember that there is little justice for a successful litigant who is bankrupted in the process. In many, and perhaps most, cases, a fair and reasonable settlement is a better and more sensible objective than absolute justice achieved at an enormous cost."

These are not the words of a disappointed outsider, but of Sir John Donaldson who, as a judge is a member of the Bar and who, as Master of the Rolls, is the ultimate authority for solicitors whose practising certificates he signs. Addressing the London Solicitors Litigation Association last week, he continued: "Given that the lawyers are not overpaid for what they do, we have to find ways and means whereby they have to do less or what they do can be done more simply and quickly."

### Right of audience

One of the possible means provided by existing legislation is the removal of restrictive practices operated by the Bar and by the Law Society. These make it often necessary for a litigant to be represented not by one but by several lawyers. Only barristers have the right of audience in higher courts and only solicitors may be approached by the client in the first instance.

Solicitors must attend on the barrister whenever he appears in court so that the litigant has to pay at least two lawyers, the barrister who speaks and the solicitor who listens, and sometimes as many as four, when the advocate is a "silk" supported by a junior and a solicitor in attendance come in pair. Occasionally a useful whisper is passed on from the solicitor through the junior to the leading counsel, but as a rule the solicitor's presence has about the same practical importance as that of lords and ladies-in-waiting attending on royal occasions.

Not only has the unfortunate litigant or the legal aid fund to put up with so much unnecessary assistance before the single judge in the High Court, but often he is quite unnecessarily made to pay for a more extravagant show in the Court of Appeal. The uncertainty and obscurity of law being what it is, it is almost always possible to advance some argument for going to the

ONLY A month ago, the traders of the London Metal Exchange were celebrating their annual dinner in the glittering ballroom of the Grosvenor House Hotel.

Some 2,000 people drank to the 108th anniversary of the world's largest metals market.

Today many of those traders are wondering whether they will still be in business to attend next year's event.

For confidence at the exchange has been shattered by the crisis which erupted in the tin market on October 24, when the International Tin Council, which sets a price pact between consuming and producing countries, announced that it had run out of money, owing hundreds of millions of pounds to LME traders.

These dealers run markets in seven metals—copper, aluminium, zinc, lead, nickel and silver as well as tin. The prices set in the "ring" or trading room floor, in Plantation House, are used to fix metal prices in most parts of the world.

The economies of whole countries depend on LME prices. Chile in copper, for instance, Bolivia in tin. The great mining houses of North America move their prices, albeit reluctantly, in line with the traders of the LME.

The LME has fought off the challenge from younger metal markets such as Comex in New York. Like Lloyd's insurance market it has retained an importance out of proportion to Britain's declining economic power. It came some £200m a year in foreign exchange and provides well-paid City jobs for hundreds of people.

The LME is proud that it has done all this without losing touch with the traditions of a market which started in 1877 when a group of metal traders drew a chalk circle on the floor and began shouting prices to each other. Most traders are now owned by multinational finance, metals and mining groups. But the company names date back to the 19th century.

The tin crisis has now cast a long shadow of doubt over the future of the LME. Mr Jacques Lion, chairman of the LME's board, claims that the very survival of the exchange is at stake. Arguments rage over how the exchange ever got into such a mess and bow, if at all, it is going to get out of it; its old-established trading rules are being called into question, just as the Government is planning sweeping changes to the regulation of the City.

LME traders have fallen over themselves to blame their misfortunes on the tin council. They say that the council knew or should have known that it was stretching its finances in its efforts to support prices by stockpiling metal. It built up debts of £350m to its banks and a further £550m, according to latest estimates, to metal traders including 15 of the exchange's 28 ring-dealing members.

The traders comforted themselves with the thought that 22 governments could not possibly allow the ITC to

default on its paper contracts.

They fought for Mr de Koning's business. They offered cheaper and cheaper commissions and granted longer and longer credit. Traders ran up commitments of tens of millions of pounds on the tin council's behalf. Without their help, the council would have run out of money long ago when its debts were much smaller.

...There was nothing... in the rules of the LME to stop this. For the Metal Exchange has no water-tight limits on the size of commitments clients can build up in the market or on the amount of down payment they must make: the "margin," they must put up on a contract.

Some other exchanges impose

tighter restrictions—the LME argues that traders are prudent

enough to manage their own books.

Equally, the LME is a principal market in which the traders deal directly with each other. There is no clearing house in the middle of the kind that exists on Comex in New York. This system, funded by

Stefan Wagstyl  
reports on  
the problems  
of London's  
metal market  
in the wake  
of the  
tin crisis



Key Metal Exchange figures: (left to right) Ted Jordan, chairman of LME Committee, Michael Brown, LME chief executive, and Jacques Lion, chairman of LME board

# Living in the shadow of an avalanche

clearing members, acts as an intermediary in deals between brokers—protecting other traders from the failure of one. The LME does have a compensation fund but it totals just £5m at most.

This is not to say that the LME is unregulated. It's not. It can intervene very forcefully, if a market runs into trouble. Ironically, this happened in tin earlier this year, when prices shot up and traders sold so much metal to the tin council that they found themselves short. The buffer stock manager rounded on them, hoping to make a good profit, but the LME stepped in to limit the premiums he could charge. Mr de Koning was furious.

Other traders felt they had needed the business. Copper trading on the LME this year has been 7 per cent below the level of 1984. Aluminium trading has fallen by 12 per cent.

"Tin was the biggest earner that a lot of companies had got," one trader said.

The tin council not only bought metal to add to its stockpile, but also traded increasingly actively in the futures market, when contracts to buy and sell tin for delivery in three months' time started. And futures market is to some extent a paper chase with most contracts cancelling each other out at the end of the day. But, thanks to the ITC, the LME tin market grew out of all proportion to the industrial importance of tin.

The traders comforted themselves with the thought that 22 governments could not possibly allow the ITC to

default on its paper contracts.

The incident showed how the

success of its aluminium contract, launched in 1982 despite

producers' opposition and which contrasts sharply with the weakness of the aluminium contract on Comex.

It is impossible to quantify

the eventual loss since trading in tin has been suspended since October 24.

But if the price falls to below £4,000 a tonne when trading resumes, the total

loss could be £300m.

This prospect has already pr

suaded MMC Metals, a trader

owned by the state-controlled

Malaysia Mining Corporation, to

go into voluntary liquidation.

For the exchange the biggest

fear is that failure in tin might

lead to the collapse even of

traders who have steered well

clear of the ITC. This is

because, in this principal's

market, traders have debts to each other in all metals. The crisis

has already made clients and

dealers nervous, reducing total

turnover by an estimated 50 per

cent.

The chain-reaction could be

stopped in one of three ways.

The tin council and its creditors

could quickly strike a deal on

the rescue plans being discussed

this week—at the moment this

seems unlikely.

The Government

could intervene with public

money—this seems almost

impossible.

Finally the big

parent groups behind most LME

trading companies—

suppose their limited liability

subsidiaries to the tin.

Some parents have given

guarantees covering their

traders' commitments.

S and W

Berisford, UK

Drexel Burnham Lambert, US

Metallgesellschaft, W. Germany

Nissho Iwai, Japan

private UK

Malaysia Mining Corporation

Standard Chartered Bank, UK

partnership

J. H. Rayner (Mincing Lane), UK

Sharp, Pixley

Shearson Lehman Metals\*, UK

Sogem (Metals)

Wilson, Smithett and Cope

Endolf Wolff

\* Brokers with outstanding tin council contracts, ranging from very little to a maximum of 10,000 tonnes (c. £200m).

There is a real fear that, at the end of the day, a few groups could be unwilling or unable to meet their traders' debts. Some hard-pressed mining and metals groups have in any case come to see LME trading as a potential activity.

Whatever happens in the next few weeks, the shock waves will be felt for a long time to come.

The banks are bound to revise the terms on which they finance the metals trade. Some brokers who survive the initial crisis may well decide that it is not worth trading down the line and quietly wind down their business.

Several could be up for sale—*it is understood that the traders were on offer earlier this year when Shearson Lehman Brothers, part of the American Express financial group, joined the ring by buying ACIL Metals.*

When the dust settles, the arguments over the reform of the exchange will begin in earnest.

The parent companies of those who sit on the ring could insist on radical changes in trading rules as the price of the LME's survival. They could be supported by the lending banks, the Bank of England and the Government.

Clients, too, are likely to be more choosy about their brokers. Mr Jack Lehman, of Shearson Lehman Brothers, says: "If the customers don't feel sufficiently secure, they'll go somewhere else."

LME officials are already talking of increasing the capitalisation of member companies to make them stronger. They could find it hard to resist calls for a clearing house and for lighter trading rules on cleared contracts.

Some traders will want new rules to be as flexible as possible. They will be able to argue, for example, that the existence of a clearing house does not save Comex from the same trading collapse earlier this year of one of its members, Volume Investors Corporation, after running into difficulties in the gold market.

Some LME traders feel it would be a pity to destroy too much. They argue that this tin crisis is a unique event—indeed that it is a measure of the LME's strength that it has taken everything else in its stride.

Other exchanges are unlikely to try to take advantage of the LME's misfortunes. At Comex, which competes with the LME in copper, aluminium and silver, officials say that what is bad for the LME is bad for all metals markets—the tin crisis has made investors feel nervous. President Mr Alan Brody says: "If any one thinks I'm sitting here licking my chops, they're wrong."

But the pressure for change will nevertheless be intense. Already there are signs that mining groups might try to take the opportunity to weaken the exchange's influence over their prices. The Canadian nickel group Inco has already unsuccessfully asked the LME to suspend nickel trading.

The international trading houses will also not wait for ever. They like London as a marketplace because it straddles the world's time-zones. But it would not be difficult for a few large groups to start a market of their own—in the same way as the banks are circumventing the London Stock Exchange to trade equities independently.

It cannot be easy for the exchange to think of the future sitting in the path of an avalanche of tin. But if it does not, the future will be decided elsewhere.

### Heseltine throws a brick

Mr Thatcher's determination to be seen to be doing something about the problems of the inner cities is provoking some political riding inside her cabinet.

The trouble flared with a disagreement between Kenneth Baker, the Environment Secretary, and Lord Young, the Employment Secretary, about who should have responsibility for the cabinet committee which is to review Government policy for inner city trouble-spots.

Mrs Thatcher took the chair herself to prevent further division among her angry party members.

Downing Street then let it be known, with an air of finality, that Lord Young and Baker would be joined by the two other ministers who have a direct interest in inner city problems—Douglas Hurd, the Home Secretary, and Norman Fowler, the Social Services Secretary.

At this point Michael Heseltine, Defence Secretary, decided to throw a brick himself. He has written to his cabinet colleagues pointing out that he

was the next appellant in the queue.

A skirmish is now in progress between the two branches of the profession over the implementation of a modest recommendation by the Royal Commission on Legal Services that at least in formal and unopposed proceedings solicitors should be allowed to appear in High Court. The Bar agrees in principle, but questions what is "formal" and "unopposed" proceedings.

The reduction of costs by the cutting-out of intermediaries and of multiple representations

Financial Times Thursday November 21 1985

A RUSSIAN spokesman in Geneva, concerning questions on Star Wars, is reported to have quoted Voltaire: "I have never made but one prayer: O God, make my enemies ridiculous." He means that the US was making an act of itself by putting so much faith in a defence against inter-continental missile attack, one can only say that his view is hard to reconcile with the stress that the Russians are laying on efforts to persuade Americans not to invent such a defence. Moreover they are showing a readiness to bargain which was completely missing before President Reagan made his now-famous speech of March 1983.

No "death-ray" defence based on speed-of-light beams exists—and will not for many years. But the President certainly caught the attention of his adversaries to a degree that has astonished the US administration when he called for ideas on nuclear defence rather than nuclear aggression.

Why did he not won Americans and, more particularly, their allies before making the speech? Reaction then and since suggests that the allies were taken completely unaware, unsure whether he wanted them under the umbrella that was envisaged.

Had he tried to prepare the way diplomatically, there would have been no speech, according to a leading official of the Strategic Defence Initiative organisation in Washington. The establishment would have strangled such a radical proposal at birth. Such an initiative had to come from the President, for it conflicts with so many vested interests.

But the Soviets have vested interests too. What is in no doubt is how much the Russians already know about the possibilities—and problems—of missile defences.

As long ago as 1967 the Russians announced that they were ringing Moscow with an anti-missile defence, using nuclear missiles. This obliged Britain to update its Polaris strategic nuclear deterrent to ensure that the warheads could still get through. One British defence research chief contends Chevaline, costing about £1bn has forced the USSR to spend a further £50bn, defending its cities.

To understand how much the Russians know about beam-weapon technology—the speed-of-light weapons which the US hopes will reach way over the horizon to kill missiles early in flight—we have to examine the laboratories that have given them birth.

They were born in two areas of "big physics" where East and West have been in friendly competition and often collaboration since the Second World War. One is particle physics—atom-smashing with beams of

## Star wars and the super-powers

# Two horses out of the same stable

By David Fishlock, Science Editor

atomic projectiles—which aims to resolve the fundamental structure of all matter by breaking it into ever finer fragments and analysing the fundamental forces required.

The other is controlled thermonuclear fusion, in which fusion forces are focused on a few atoms to try to persuade them to fuse together and, in so doing, release even more energy than the scientists are pumping in.

Both quest require the biggest and most expensive instruments science has yet devised. They even have enough in common for the same scientists to make world reputations building both kinds of machine: such men as Britain's Sir John Adams and West Germany's Hans-Otto Woerner.

In the US, the quest is often conducted in the same laboratories and research centres. There is a joint research proposal for the two nations to share the expense—perhaps \$30m—of a big fusion experiment.

At the US Air Force Weapons Research Laboratory in New Mexico scientists tell how they got their ideas for building Radac 2, an electron-beam accelerator (atom-smasher) which is showing promise of developing into a beam weapon. In the mid-1970s they read a Russian scientific paper which showed how bursts of electrons could be accelerated to very high speeds in a short distance by lining up microwave diodes like a gun barrel.

The Russian paper acknowledged the work of Gerald Yonas at the Sandia National Laboratories in New Mexico. In fact Dr Yonas was using a ring of the microwave diodes that his team had invented to focus many electron pulses simultaneously on to a speck of nuclear fuel. He was trying to trigger a fusion reaction. It did not take the US scientists long to figure out what the Russians might want to line up the diodes to make an electron-beam weapon.

Today Dr Yonas is chief scientist and acting director of the SDI research programme in Washington. He reflects nostalgically on his frequent travels to Russian research centres, such as the Kurchatov Institute and the P. N. Lebedev Physics Institute, where head of pulsed power research at Sandia National Laboratories.

In the mid-1970s scientists on both sides of the Iron Curtain began to realise that the beams they were generating—micro-beam, laser, electron, X-ray, etc.—were reaching energy levels of serious interest as potential weapons. The beams were about 10,000 times as fast as a missile. Around 1977 the Russians stopped publishing research on these beams.

US physicists freely acknowledge that the crucial idea for a space-based defensive weapon came from Russian research in atom-smashing. This is called the radio-frequency quadrupole (RFQ), a very compact and elegant way of accelerating a beam of ions to very high speed in a short distance. The Russians stopped publishing data on the RFQ in 1977. "It's not likely that they disbanded," says one US physicist.

Atom-smashing physicists throughout the world have adopted the RFQ: among them the team working on the White Horse beam-weapon project at Los Alamos National Laboratory, Los Alamos, Sandia and Lawrence Livermore are the main government-owned research centres of the SDI programme.



White Horse is an attempt to make an atom-smasher small enough to put into orbit, which might fire a beam of hydrogen atoms through the vacuum of space, and be capable of penetrating several inches of metal and stopping enough energy to make a missile to make it explode.

The White Horse team is concentrating hard on the RFQ, which it has no doubt is the key to a compact neutral-beam weapon. But in a British physics laboratory it has spotted the expertise it wants to help generate the ion beams it will feed into its RFQ.

At Culham Laboratory of the UK Atomic Energy Authority work on some of its facilities is under way to produce electricity. He forecasts that fusion would eventually meet all its technical targets but would nonetheless "fail to be economic because of the complexity and difficulty of the technology."

SDI breaks no known laws of science, of those who say "impossible" about some facet of its technology. Dr Yonas observes mildly that "problems may get solved in a very different way from those we perceive now."

Dr Yonas's long-term worries like Lord Marshall's with fusion lie with the cost. "I'm optimistic that we can do the job but not sure whether it can be cost-effective."

Dr Cory Coll, responsible for SDI systems studies at Lawrence Livermore—and a fierce critic of some US claims for SDI—says system thinking is still very primitive. "I think we've got a long way of talking about deploying anything." He thinks it for too early to say whether the US can afford such a defence for its people.

But Dr Coll says current Soviet reaction to SDI is echoing its response to the US Safeguard ABM programme of 1969, which culminated three years later in the US and the Soviet Union signing the ABM Treaty.

Washington has been surprised over the past two years in the fighting over whether or not the SDI objective of a defence against nuclear missiles is "impossible." But the experts are not agreed on which facet of SDI—sensors, software, etc.—is not possible. Scientists express a few such doubts about its own self-generated objectives, such as fusion, one of the world's most expensive lines of research.

But last month in the House of Lords one scientist broke ranks, Lord Marshall, chairman of the Central Electricity Generating Board, and a former fusion physicist, outlined in his maiden speech the immense difficulties stretching over perhaps five years (with the help of acquisitions) from £317,000 to £1.4m, together with an 18-fold increase in earnings per share—all on a negative capital base, after excluding goodwill.

The fixed commissions are to be scrapped in January 1986.

The fixed commissions are to be scrapped in January 1986.

It also alleges that Dr Yevgeny Velikhov, leading scientific spokesman against

## Lombard

# Nostalgia for a fading City

By John Plender

ANY COMPANY that comes to fixed commissions and single stock market sporting capacity, in which the role of the broker, acting as agent, was kept distinct from that of the jobber, acting as principal, is another case in point.

Stockbrokers, operating through the vehicle of partnership, were unable to accumulate much capital and scarcely needed to in their domestic market. Stockjobbers were indeed undercapitalised; but the problems of undercapitalisation were partly mitigated by the Stock Exchange money broking system, whereby money broking affiliates of a handful of stockbrokers firms not only provided funds to the jobbers but borrowed on a secured basis from investment institutions and on-lent the stock to the jobbers.

For despite the curious balance sheet history, International City Holdings (ICH), which owns the former Charles Fulton money broking interests, cannot be written off as mere flotation thrown up by the bull market tide. Nor indeed are its shares in question: in the aftermath of its flotation the company will have a surplus of tangible assets of more than £10m.

The interest lies rather in the way this flotation demonstrates a longstanding characteristic of the old City of London that is very much on the wane—to wit, many of the dealing systems and executive practices that are now being wrapped led, paradoxically, to a remarkably efficient use of capital. On this score, at least, some modest nostalgia is in order.

### Trade-off

Is the demise of the single capacity broker inevitable after the Big Bang? We shall see. But it is noteworthy that brokers have survived in the foreign exchange markets because the role makes economic sense. A broking intermediary can afford to maintain more direct lines to banks around the market than all but the biggest banks.

There is, moreover, a direct trade-off in securities markets: if there is no broker to oil the wheels of the market, market makers need more capital to provide the liquidity that investors want. Even the unregulated Eurobond now sports its own agency broking firms.

Ironically, the arrangements for the new gilt-edged market are designed to promote capital inefficiency: the Bank of England's system of dedicated capital means that the biggest conglomerates cannot move capital in and out of the gilt dealing subsidiary at will. No doubt for good prudential reasons—but foreigners will have observed that this also helps minimise the disadvantage of British firms' historic lack of capital clout.

20 people instead of two, meanwhile living on a shoestring. One glossy promises the directors a "nominal" salary of £20,000 plus commission on profits, which makes a return for whole thing is becoming a investors pretty remote. The swindle, and I hope further action will be taken to bring it back to its original concept.

P. F. Hall, Shenton Hall, Shenton, Nr Nuneaton.

**Anglo-Irish agreement**

From Lord Monson

Sir.—The depiction of Ulster Unionists as a bunch of boorish provincials with funny accents, who make a great deal of fuss about nothing, is about par for the Fleet Street course. But your insensitive treatment (November 18) of Unionist reactions to the Anglo-Irish agreement suggests, if I may say so, a certain Home Counties provincialism on your own part.

It is hardly reasonable to expect a people whose nationality and right to self determination has been under attack for the greater part of this century—not only from their more populous southern neighbour but from powerful lobbies in mainland Britain and North America as well—to evolve into paragons of urbanity, liberalism and detachment.

To you, the Irish Republic may conjure up agreeable images of poets, playwrights, pub reporters and the Blarney stone. To the Unionists, it means the country which too often supports the Queen's enemies (as in the Falklands war), which fuels the embers of violence by formally claiming jurisdiction over their territory, and which above all has provided temporary and sometimes permanent sanctuaries for the murderers of their friends and relations.

This same country is now to be granted power (at one move) over their laws and institutions. Despite the conciliatory tones of the Republic's Prime Minister, is it any wonder that the initial reaction should be one of shock and outrage? A more one-operative response might come later, but it will take a great deal more tact and even-handedness than has been shown so far to achieve it.

Monson

House of Lords, SW1

**Preferential rights**

From Mr R. Adams

Sir.—Your editorial of November 15 was surely right in pointing out that the surest protection of the rights of existing TSB depositors lies in their preferential applications rights in the forthcoming flotation. But whatever the legal niceties may be, the fact is that Lord Davidson's judgement has cast a cloud over the issue, and positive steps need to be taken quickly to dispel it.

I suggest that the most effective means of doing so would be a public announcement reinforcing the preferential applications rights of existing depositors, to give them over-riding priority in the issue. That is, all applications from depositors should be met in full

and without limitation before any allotments are made to other applicants.

Such an announcement would surely serve to defuse, in practice and perhaps even in law, the argument about protection of depositors' rights. Even with overriding preferential rights it is unlikely that existing depositors would take up a large proportion of the issue.

R. Adams

15 Kidderpore Gardens, NW1

**Congested motorways**

From Mr R. Bonatti

Sir.—Yet another coach crash during a motorway journey roughly parallel to a fast Inter-City rail route makes rail despairs of an end to these disasters.

To tackle the problem one should refer back to the underlying cause—the Government's determination to scale down in real (and nowadays even in money) terms the subsidies for road transport. Our railways are thus forced to charge fares for long distance journeys above what is charged by coaches which do not have to pay for the road infrastructure, for safety devices such as signals. In terms of real costs per passenger rail should be the cheaper mode in these cases. The difficulty is somewhat disguised for first class travel where many passengers travelling on business are subsidised by the Inland Revenue.

Meanwhile Britain remains probably the only west European country where "the poor do not travel by rail." By contrast for every D-mark spent on modernising and expanding the West German rail trunk and commuter services about 20 pfennigs are added to allow for "consequential costs," meaning fare subsidies. Unfortunately such an approach spells anathema to a Government which rejoiced when Greater London Council was successfully taken to court by a local authority to force it to abandon an enlightened transport policy.

The theoretical justification for routing too many coaches over one congested motorway is that this gives the customer the right to "trade time for money." In order, however, to keep the time differential against rail within commercially viable proportions, coaches are deemed to run to not very elastic timetables over motorways where this may become

difficult because of the vagaries of weather, frequent road repairs and overcrowding due to the British preference for moving long distance freight by road.

Road safety is not improved by the Government's hesitations over making the fitting of anti-skid devices to articulated lorries compulsory. The enforcement of e—far too high a speed limit of 70 mph for coaches can only add marginally to safety on journeys where the time advantage remains with rail—especially after the belated conversion of Mrs Thatcher to the cause of railway electrification.

As too many coach and lorry accidents have shown, car passengers not directly involved in the original collision may suffer tragic consequences. They thus become victims of the Government's shortsighted policies on costing transport infrastructure. Meanwhile the cemetery remains paved with good intentions.

R. Bonatti

Sorby, Kilk, Lane, Disraeli Heath, Henley-on-Thames.

**Business expansion schemes**

From Mr P. Hall

Sir.—Why am I being bombarded by glossy brochures inviting me to subscribe for shares in organisations such as Rail, which promises the directors a "nominal" salary of £20,000 plus commission on profits, which makes a return for whole thing is becoming a investors pretty remote. The swindle, and I hope further action will be taken to bring it back to its original concept.

P. F. Hall, Shenton Hall, Shenton, Nr Nuneaton.

**Tax cuts and Sizewell**

From Mr D. Baldock and Mr S. Hodgkinson

Sir.—Appearing as expert witnesses at the Sizewell "B" public inquiry we argued strongly that public sector capital rationing was a potential restraint on the Central Electricity Generating Board's plans to construct the plant and, if this were so, energy conservation measures would represent a more cost-effective option both for the nation and the electricity consumer.

We were, however, told by both the CEBG and the Department of Energy that capital rationing between different public sector investment options did not arise. The CEBG argued that it was able to finance Sizewell largely from internal sources. The Department of Energy averred that the free play of market forces would of itself generate all cost-effective investment in energy efficiency.

It appears however from the article "Tax cuts may delay Sizewell" (November 4) that all capital rationing is to be a consideration and now that the choice is to be between an early start on Sizewell "B" or votes winning tax cuts. What is sence for the goose is evidently not sence for the gander!

The House of Commons select committee on energy has launched its report on the Energy Efficiency Office. The report has wholeheartedly endorsed the view we put to it that in the public sector "the expected returns to energy efficiency investments can and should be compared with returns to investment in energy supply provision."

The Government has to date shown little interest in addressing the imbalance of its investments in energy supply and energy demand management. The launch of energy efficiency year, however, provides the ideal platform from which to begin to do this. It is to be hoped that Peter Walker, the minister, will seize this opportunity and make energy efficiency year not just a public relations exercise but the first practical step in his avowed goal of making the UK the most energy efficient country in the industrialised world.

David Baldock

Simon Hodgkinson

North Resources Research, 258 Pentonville Road, N1

"Of course I'm sure, I read it in Business Week."

**INTERNATIONAL  
BusinessWeek**  
THE VOICE OF AUTHORITY

Today, business isn't just multifaceted. It's multifaceted. That's why today's fast-paced executives rely on Business Week International.

From London to Los Angeles, Peoria to Paris, Business Week International goes beyond merely reporting the business news to analyzing the events behind it.

Giving executives the kind of insight into the world's business climate that helps them act instead of react.

And giving advertisers the kind of authoritative environment where their message gets the attention it deserves.

Business Week International. Readers and advertisers look at it the same way.

As a sure thing.



# FINANCIAL TIMES

Thursday November 21 1985

Shocked at the cost of running your company cars?  
As the UK's market leaders in Fleet Management we offer more cost savings than any other company.  
**GELCO** We keep business moving  
TEL: 061-236 9832

GHH's move to Munich symbolises a fundamental shift in German industry

## Good Hope's bad news for Ruhr

BY RUPERT CORNWELL, RECENTLY IN OBERHAUSEN

THE purple-sided office block, half-way between the railway station and the town hall, with its white neon sign announcing Oberhausen to be the "cradle of the Ruhr's industry," must once have been the last word in harsh modernity.

Today the GHH building has a forlorn aspect, not entirely to be explained by autumnal fog, accumulated grime and changes in architectural style over the years.

GHH stands for Gutehoffnungshütte, literally "Iron Works of Good Hope," the company which in one shape or another for over two centuries has been part of the history of the town. Oberhausen, and the three foundries which in 1873 merged to become GHH, are where the modern Ruhr began.

It was on October 18, 1758, local historians record, that the first of the three, St Antony-Hütte, started production on the banks of the River Eipenbach (but only after overcoming an early conservationist protest from nuns at the convent of nearby Sterkendorf, who feared that the satanic new mill might kill the river fish and make its water too dirty for them to wash their laundry).

Now, 227 years later, the command centre of GHH, the largest mechanical engineering concern in Europe, is leaving Oberhausen for good. For the city, it is a bitter, if not unexpected blow.

The 18th century sisters, of course, would feel at home amid the environmental obsessions of today's West Germany. But that is not the reason why the company is shifting its legal headquarters to

the undoubtedly cleaner air of Munich. In a sense, GHH may be giving further evidence of a shift in the country's centre of economic gravity from the north with its older industries, to the ambitious, surging south.

More important, however, it is obeying the logic of the changes in its own structure over the last 85 years. Few are ready to recognise this than Mr Friedrich von den Mond, a courteous Social Democrat of an older school, born in Oberhausen and mayor of the town since 1978.



"Oberhausen and GHH grew up together, but the company is different now," he says. It started life exclusively in iron and coal, the commodities upon which the old Ruhr was built, but was forced to shed those activities by the occupying allies after 1945. Forty years later, 75 per cent of its workforce are employed south of the river Main, traditionally the dividing line between the two halves of Germany.

The transformation in turn stems largely from GHH's purchase in 1921, of the southern German engineering concern Maschinenfabrik Augsburg-Nürnberg (MAN). The root-and-branch overhaul upon which GHH is embarked, of which the headquarters move is but part, has been dictated by the need to bring MAN, long an unruly and frequently loss-making field within the group, conclusively to heel.

As Mr Friedrich von Menges, chairman of GHH between 1967 and 1973, observed recently: "Tradition has always been important for us. But top management should be

plans to merge with MAN, redivide the group into more compact operating divisions and move the board to Munich.

For Oberhausen, the shock was little smaller for having been expected. The departure of GHH's headquarters will cost only 30 to 50 jobs. The company has already promised to maintain manufacturing plants and investment programmes in the Oberhausen area. If Mr Göte agrees, as the town is pressing, to base the new engineering and plant division of GHH-MAN there, then Oberhausen could actually gain.

Rather, the blow has been psychological. "Nowhere in the Ruhr has been hurt as much as Oberhausen by the restructuring this region has had to face," Mr van den Mond says. Closures in the local coal and steel industries saw employment in the two sectors fall from 30,000 in the area in 1981 to 9,400 in 1984. Over the period, the town lost more than 28,000 industrial jobs. Unemployment is now 14.1 per cent, way above the national average of 8 per cent.

It is to the credit of the town, and Germany's elaborate welfare and rich-help-poor public finance system, that the scars are not more painful. Local loyalty, and sense of community are fierce: Oberhausen regularly produces a 60 per cent plus turnout for the SPD.

Since the 1960s, some 15,000 new jobs have been created, but even that has been insufficient to keep pace with decay elsewhere, especially when neighbouring towns with similar difficulties compete

ferociously for every new investment project.

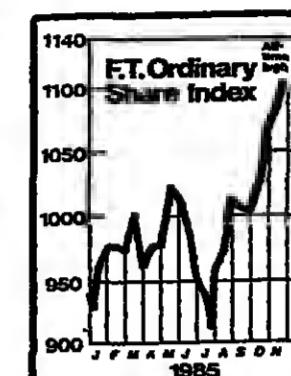
The theoretical answer lies in more service industry, and in encouraging small companies to set up in Oberhausen. But the town faces a peculiar problem in that the clearing and conversion of old steel and coal sites is extremely expensive. One notable success has been the establishment of a DM 36m (S13.6m) youth training centre where a colliery once stood.

Decline has also wreaked a heavy price upon the city finances. Industrial plants mean tax income for the local offices, but related in part to their profitability. The problems of coal and steel are common knowledge: MAN has weighed upon GHH, while Deutsche-Baabeck, which employs 6,200 people in Oberhausen, has been troubled by problems with foreign contracts.

All of this helps explain why the city budget will be DM 51.4m in the red this year, and DM 70m next. The prospects have not been improved by the decision of Thyssen, the steel group, to trim 550 jobs at its Thyssen Niederrhein works in Oberhausen. No wonder that GHH move, even if it will mean little real tax income loss, has weighed so heavily upon morale.

Mr van den Mond hopes that after a decade and a half of decline, "we've now reached the bottom, and things can only get better." But as Oberhausen people's minds wend nostalgic southwards towards those new GHH premises in sunny Munich, they can only reflect that it will still be a long hard haul.

## THE LEX COLUMN Going up, and up and up



rather remote contingency to those with an eye on quarterly performance or the next takeover bid, but it does stretch optimism to push this advance much beyond Christmas.

### Whitbread

Whitbread duly put in a fine set of interim figures but they might have been flat for all the good they did that company's share price. As a piece of real trading news amid the bid from, a 14 per cent increase in pre-tax profits (to £63.5m) was just what the market wanted to hear.

Mr van den Mond hopes that after a decade and a half of decline, "we've now reached the bottom, and things can only get better." But as Oberhausen people's minds wend nostalgic southwards towards those new GHH premises in sunny Munich, they can only reflect that it will still be a long hard haul.

On almost every historical criterion, however, equities are dear. The growth of profits is certainly nothing to raise the market's temperature, although people talk about the improving quality of earnings, where the element of stock appreciation is clearly much lower than in the roaring seventies, the quantity is not rising as fast as it was.

Since the 1960s, some 15,000 new jobs have been created, but even that has been insufficient to keep pace with decay elsewhere, especially when neighbouring towns with similar difficulties compete

for every new investment project.

Ironically, in highlighting once again the national virtues of lager and a large estate, Whitbread may have cut across its historical commitment to the independence of the regional brewers. Scottish & Newcastle put on 4p to 177p, making its bid for Matthew Brown - in the absence of any counter-argument in yesterday's letter to shareholders - even more attractive.

### Primary capital

It is almost exactly a year since the Bank of England introduced primary capital as a measure of the soundness of the UK banking industry. The Bank's supervisory department has admitted had other matters on its mind since then but it is curious that no conclusive definition of primary capital has yet emerged. In particular, it is not clear how the perpetual notes issued by clearers before the Bank's initial statement will be treated for capital adequacy purposes.

Undaunted, stockbrokers De Zoete & Bevan have now constructed their own primary capital ratio, treating all perpetual notes issued by clearers before the Bank's initial statement as primary capital and categorising all other perpetual loans as straightforward term debt. This may not be quite when the Bank will view the matter when it finally issues its encyclical but De Zoete's calculations are unlikely to be far out.

Lloyd's emerges from this analysis with much the strongest capital base of the four London clearers. Its shareholders' funds and qualifying perpetuities represent 7.3 per cent of public liabilities. Barclays and Midland both trail by around a percentage point, while National Westminster brings up the rear with a ratio of 5.7 per cent.

NatWest might, with the benefit of hindsight, have raised rather more through last year's rights issue but it will probably not be compelled to see itself at the bottom of the list. It does not, after all, share Lloyd's exposure to Latin America, Midland's problems in California or Barclay's commitment to the big one which will not be lost on Barclay's in-house stockbroker, De Zoete & Bevan.

## Higher US GNP figure boosts \$

Continued from Page 1

DU PONT is to spend \$120m on a plant in Luxembourg to produce Tyvek, a specialty non-woven textile product.

The investment, which will add 180 workers to the present work force of 1,100 on the site, is expected to come on stream in 1988. It is the largest single investment made by the US company's textiles division this year.

Mr Michael Emery, director of the company's engineered non-woven structures division, who announced the investment in London yesterday, said Du Pont "was on the boundary of a new era for engineered non-woven products."

He added: "The new plant will show our European customers, many of whom have no other business than Tyvek from its US headquarters.

Its capacity there is some 40,000 tons a year and the Luxembourg plant will boost that by around half.

Tyvek is a tough sheet material made by producing fibres from polyethylene which are then laid at

## Du Pont to spend \$120m on Luxembourg synthetics plant

BY ANTHONY MORETON IN LONDON

DU PONT is to spend \$120m on a plant in Luxembourg to produce Tyvek, a specialty non-woven textile product.

The investment, which will add 180 workers to the present work force of 1,100 on the site, is expected to come on stream in 1988. It is the largest single investment made by the US company's textiles division this year.

Mr Michael Emery, director of the company's engineered non-woven structures division, who announced the investment in London yesterday, said Du Pont "was on the boundary of a new era for engineered non-woven products."

He added: "The new plant will show our European customers, many of whom have no other business than Tyvek from its US headquarters.

Its capacity there is some 40,000 tons a year and the Luxembourg plant will boost that by around half.

Tyvek is a tough sheet material made by producing fibres from polyethylene which are then laid at

## Senators propose US trade policy overhaul

By Nancy Dunne in Washington

FIFTEEN prominent US senators, led by Mr Robert Dole, the majority leader and other members of the finance and trade committee, yesterday proposed a major overhaul of US trade policy.

The bipartisan proposal although rejecting outright protectionism, weakens the President's power to rule on "unfair trade" relief, and commits the US to co-ordination of monetary and fiscal policies with its international trading partners.

Marketing of Tyvek will be carried out by DEH Industries, the Swiss subsidiary of Canada's Dominion Textile group, for envelopes, protective clothing and hospital gowns, and Wiggins Teape, the UK subsidiary of BAT Industries, for graphics, labels, sterile packaging and construction.

In a direct slap at the Administration for its refusal to give import relief to industries such as footwear and copper, the proposed bill would limit presidential discretion in cases where the International Trade Commission has approved an industry-labour adjustment plan. In such cases, the President would have to grant relief at least equivalent to that recommended by the commission, unless Congress approves lesser relief or none at all.

The legislation requires the President to open negotiations with the Group of Five nations within six months on the functions of the international monetary system and to enhance co-ordination of national economic policies. It would establish a "strategic exchange reserve" which could be used to intervene in foreign currency markets to bring down the value of the dollar.

Under the plan, the advanced developing countries, such as Hong Kong, Korea and Taiwan, would be granted relief from the generalised system of preferences, designed to give tariff advantages to developing countries. Graduation would be within two years and based on per capita income and export capabilities.

Other provisions in the legislation include a definition of and a mechanism to combat "dumping" by non-market economies, an expansion of the options open to the President in trade relief cases going beyond quotas, tariffs and adjustment assistance, to include multilateral agreements on excess capacity, limited anti-trust exemptions and financial assistance.

## The Philadelphia National Bank announces the opening of Philadelphia National Limited, its new wholly-owned London merchant banking subsidiary.

Established in London with initial paid-in capital of £19,000,000, Philadelphia National Limited will deliver its financial products worldwide.

These include underwriting, trading, private placements, asset distribution and loan syndications, hybrid securities, interest rate swaps and currency swaps.

Lord Wakehurst  
Chairman  
James L. Hildebrand  
Deputy Chairman and  
Chief Executive Officer

**Philadelphia National Limited**  
A Corporate Bank. Licensed Deposit Taker  
Philadelphia National House  
3 Gracechurch Street  
London EC3V 0AD • Telephone 01-623 8100 • Telex 939391 PNLLDN

## World Weather

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Amst	5	4	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Algiers	15	25	35	45	55	65	75	85	95	105	115	125	135	145	155	165	175	185	195	205	215	225	235	245	255	265	275	285	295	305	
America	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Asia	35	45	55	65	75	85	95	105	115	125	135	145	155	165	175	185	195	205	215	225	235	245	255	265	275	285	295	305	315		
Australia	35	45	55	65	75	85	95	105	115	125	135	145	155	165	175	185	195	205	215	225	235	245	255	265	275	285	295	305	315		
Austria	35	45	55	65	75	85	95	105	115	125	135	145	155	165	175	185	195	205	215	225	235	245	255	265	275	285	295	305	315		

## JOBS COLUMN

## Growing crisis in management motivation

BY MICHAEL DIXON

SUPPOSE YOU are an upper middle manager and are suddenly told your company car is being upgraded from a Rover, say, to a Jaguar. How do you interpret the news?

Most of us, I suspect, would take it as a sign that our career was still ascending. But we would be unwise to bank on it, according to a survey of big employers by Incomes Data Services of London.

It finds that when a company upgrades people's status symbols it may really mean that, although they are valued at their present level, they have no hope of further promotion. The same message could well lie hidden behind pay rises given as bonuses which do not raise pension entitlements or the award of a more dignified job title.

The apparent fact that managers are often left to guess the meaning of such events surely shows something odd about big-company management philosophy.

For while employers in private enterprise at least are no longer interested about getting unwanted staff, organisations still tend to avoid franking telling people they wish to keep that they will rise no higher up the management ladder. Despite a number of exceptions such as Phillips, the general tendency is evidently to try to camouflage the company's decision that a manager is no longer promotable.

The disingenuous use of bonuses and so on persists even when the company considers that, no matter how good the work of the managers concerned, the jobs they do are worth no more than pay increases to compensate for rising prices. And a lot of staff are judged to have reached the limit of their value.

Estimates by business economists range upwards from about 40 per cent of people in management-type positions to two-thirds. Seven out of every 10 United Kingdom civil servants are reputed to be at the peak of their respective pay scales.

## Costly

The cost of the attempted camouflaging can therefore be hefty, although employers fully expect that competition may stop short of the tactic which Incomes Data Services says is used in the UK electricity industry.

It deals with the problem of staff at the peak of their pay grade by annually adding an extra increment at the top of the scale, and removing the one at the bottom—in effect paying senior staff more just for growing older.

The main reason for such confounding is probably a belief that, even though most managers may fairly quickly work out for themselves that their hopes of promotion have gone,

it is better for the employer to leave them to do so than to spell out the fact officially. It seems there is a widespread fear that people doing managerial jobs will not be motivated to work well in their present positions unless their company goes on allowing them at least the illusion that the route to the top is still open.

Whether or not that fear is justified, the Jobs Column does not know. But if it is, managerial staff and the businesses which employ them look bound to have an increasing problem. Moreover the likelihood is that its worst effects will not be centred on people who have passed the age—now about 40—when those not already in top positions can mostly count on being retained until their employer is able to replace or do without them.

The focus of the problem will probably be ambitious managers aged around 28-35, who are due to retire in a few months. He believes that if he returned to his job five years or so hence, he would be hard put to recognise it.

By then, he said, the typical big-business personnel chief would no longer rule over tiers of in-house specialist staff. The subordinate rankers would mostly be gone. Personnel directors would operate mainly like chief buyers, identifying what sort of service their company needs and which of the specialist consultancies on the open market could best be brought in to do the job.

Buck Blessing, an American consultant specialising in counselling stylised managers and whose company, Blessing/White, is now linked in the UK to the Kepner-Tregoe consultancy based in Windsor.

Mr Blessing said that one of his corporate clients—a bank which he would not name—had recently decided that over the next two or three years it must cut its workforce from 118,000 to 95,000. The great majority of the 24,000 jobs to be scrapped are of middle-management rank.

## Scraping

A comparable scrapping of what were formerly promotion opportunities for specialist staff in British industry is expected.

Paul Rogers, personnel director of EECity, who is due to retire in a few months, says he believes that if he returned to his job five years or so hence, he would be hard put to recognise it.

The minority of children identified by teachers as having a realistic chance of going on to higher grade work tend to be given expectations of a particular kind. Their schooling and higher education rarely encourages them to believe that their prospects of a satisfying working life depend on their acquiring the ability to do or make anything in particular which other people will think worth paying for.

An illustration of the rate at which they are vanishing was given to me the other day by the education system is rather that

by doing well in their concentrated academic studies they will become entitled to ready-made jobs in established fields of employment. Moreover they seem to get the idea that, just as their educational status depends less on the subjects they study than on the level of exams they pass in them, their occupational status will depend not so much on what they do for a living as on how high in the socio-economic pecking order the route is open.

The stark choice before the bulk of them will not be the traditional one of get on or get out. It will be stay where you are or get out. And that implies an urgent need for fundamental changes in prevailing practices not only of employment but also of education.

If it is true that the motivation of people in managerial type work depends critically on their believing that they can continue rising in some bureau hierarchy, then it seems fair to suppose that part of the cause lies in their previous education.

Whether the growing problem of diminishing promotion opportunities can be contained, would now seem to depend on something deeper than employers dropping the pretence that the route to the top is open for all managers. The need is for the education system to start bringing children's expectations into line with reality and motivating and equipping them to work not as greater or smaller cogs in organisations, but as doers and makers of things.

## Equity Specialists

Institutional Sales  
—General U.K.

A major firm of UK stockbrokers, respected both for the quality of their research and the standing of their European partners, is looking for experienced institutional sales executives to join their well-established U.K. team. Successful candidates able to demonstrate a strong track record in this field will be offered attractive remuneration packages. Ideal age range 25-35.

## Paper &amp; Packaging Analysts

Our client, a top-ranked British stockbroker with the backing of a substantial institution, wishes to expand their coverage of the paper, packaging, publishing and newsprint sectors. Analysts with at least two years experience of these stocks, who are looking for a fresh challenge in their careers, will be offered a suitable competitive remuneration package.

Please contact Timothy R. Wilkes or Anna Robson at the Investment Division, 39-41 Parker Street, London WC2B 5LH, telephone 01-404 5751. All replies will be treated in strictest confidence.



**Michael Page City**  
International Recruitment Consultants  
London Brussels New York Sydney

A member of the Addison Page PLC group

FUND MANAGEMENT  
Equities

Our client, a major institutional investor, with assets of well over £2bn invested internationally, seeks two ambitious and experienced individuals to join their fund management team.

## Fund Manager

## UK Equities

Candidates should have a minimum of four years investment experience, gained as both an analyst and a fund manager, ideally on UK equities. The principal responsibility is for day to day management of UK equity funds, however it is expected that the successful individual will also make a significant contribution to the development of asset allocation strategy, on a global basis.

Analyst/Junior  
Fund Manager

## UK Equities

Ideally, candidates will have at least two years analytical experience gained within a fund management environment although analysts currently employed by a stockbroker will also be of interest. The role involves analysis of specific sectors of the UK equity market, together with an increasing amount of dealing discretion. The scope for progress to a full fund management role is excellent.

Both opportunities carry good salary packages which will be made attractive to the right individuals. Please contact Stephen Emberton who will treat all inquiries in the strictest confidence.

**R**

Rochester Recruitment Ltd, 22A College Hill, London EC4R 2RP  
Telephone: 01 248 8345

## MARKETING OFFICERS

## Foreign Exchange &amp; Treasury Products

Our Client is a leading Accepting House with an acknowledged strength in foreign exchange and treasury operations.

Its expanding Treasury Marketing division is responsible for promoting the full range of dealing room products both to the U.K. Corporate Sector and to banks throughout Europe.

Candidates, probably aged 27/40, should possess an in-depth dealing experience as an inter-bank trader or possibly from within a multi-national company. Strong marketing skills form an integral part of the requirement and a knowledge of the newer financial instruments would be an advantage—some travel throughout the U.K. and Europe is envisaged.

There are two appointments which offer excellent career development opportunities and will be matched by competitive salaries with usual fringe benefits which will include a performance-related profit sharing scheme.

Contact Norman Philpot in confidence  
on 01-248 3812

## NPA Recruitment Services Ltd

60 Cheapside, London EC2V 3 15  
Management Consultants Executive Search

COMPUTER AUDIT  
MANAGERS  
£20,000 to £28,000  
+ Car  
London & Provinces

A major professional firm seeks a number of Chartered Accountants aged 26-35 to join national and regional computer audit functions and be responsible for computer audit quality standards and consultancy advice to clients. Candidates with ability and presence are likely to make rapid progress to partnership within a stimulating and demanding environment. Ref: DES

TECHNICAL  
TRAINING MANAGER  
c£25,000 + Car  
City Base

Leading professional firm with a substantial international practice are looking to recruit a graduate Chartered Accountant with a good exam record to head up all pre/post qualification technical training. The successful candidate will have a strong technical background, partnership potential and the presence and personality to motivate staff and engender confidence with colleagues. Ref: KJL

FINANCIAL  
FLAIR  
c£25,000 + Car  
S. London

This high-profile appointment is with a very successful and dynamic financial services group currently experiencing 30% growth. You will be responsible for all aspects of financial accounting with four qualified Accountants reporting. Applications are invited from extrovert and technically strong Accountants aged 28-32 with good systems exposure and communication skills. Ref: KJL

INTERNATIONAL  
BANKING  
c£18,000 + Benefits  
City

A young and progressive international wholesale bank seeks a dynamic graduate ACA for a newly created senior financial reporting role. Current expansion plans to point to excellent career potential for candidates whose qualification experience should include some sector related exposure. This attractive appointment offers a generous benefits package and early promotion prospects. Ref: JFH

MANAGEMENT  
REPORTING  
c£17,000 + Car  
Midlands

The USM aspirations of this highly successful group necessitate the recruitment of an extremely ambitious Accountant to join a progressive management team. Involvement includes board liaison, divisional reporting, systems development and general problem solving exercises. Preferably you will have a good general accounting background and better than average communication skills. Ref: JFH

PROJECT  
MANAGER  
c£20,000  
Surrey

A varied and stimulating role with a substantial manufacturing group. The requirement is for a qualified Accountant aged 28-35 who can demonstrate an appreciation of the accounting practices of a large organisation and expertise in the development and implementation of computerised systems. The successful applicant will be promoted into a senior line role within two years. Ref: MJH

BADENOCH & CLARK  
CORPORATE FINANCE—  
MERCHANT BANKING

## £17,500 to £25,000 + Banking Benefits

Our client, one of the City's premier Merchant Banks and a member of the Accepting Houses Committee, requires additional Executives to join its Corporate Finance department.

Applicants are likely to be graduates (at least an Upper Second) with a professional qualification, probably ACAs or Lawers. Candidates with a post-graduate Business School degree seeking a career change may also be considered. Age indicator: 24-27.

Recent experience of Mergers and Acquisitions or Stock Exchange related transactions would be advantageous and candidates will be expected to show a high level of commercial awareness together with strong oral and written communications skills.

Please contact: Robert Digby or Judith Farmer.

INSTITUTIONAL SALES  
UK EQUITIES

## c. £30,000 + Bonus + Car

Our client, a top ranking UK Stockbroking firm backed by a major international banking group, is looking to expand its Institutional Sales desk.

We would welcome applications from ambitious, talented generalists with at least three years Sales experience, preferably gained with a top twenty institutional broker.

Applicants with expertise in a specific sector, keen to extend their institutional client base by covering UK equities across the board could also be suited.

For a confidential discussion please contact:

Stuart Clifford, Christopher Lawless or Jane Wilson.

Financial Recruitment Specialists  
16-18 New Bridge St, London EC4V 5AU  
Telephone 01-583 0073

TRADE  
FINANCE  
£25-30,000

Our client is the highly successful and profitable Trade Finance unit of an international bank. Established just over one year ago, it has developed a broad base of business amongst medium sized trading companies, with a product base centred on medium term financing of trade, Letters of Credit and similar instruments, but relying particularly on excellent relationships with customers.

A superb growth record within 12 months has created the need for a proven business-greater to work alongside the Manager of this division. The bank is committed to high business levels in this area which should provide a busy and rewarding environment. Salary is not a limiting factor for the right candidate, and other normal banking benefits (including car) will be available.

Please contact Kevin Byrne.  
Telephone: 01-588 6644

**Anderson, Squires Ltd**  
Bank Recruitment Specialists  
127 Cheapside, London EC2V 6BU

**Anderson, Squires**

## Private Client Executive

Savory Milln Limited is seeking a high calibre executive to join their well established private client department.

Candidates should have at least five years experience of discretionary and non-discretionary management and have developed a portfolio of personal clients generating in excess of £50,000 gross annual commission.

The attraction of new clients and participation in the overall development of the department are regarded as critical responsibilities.

Remuneration will reflect the importance of this position.

Please apply to A.R. Clapham at  
Arbuthnot Savory Milln Holdings Limited,  
131 Finsbury Pavement, London, EC2A 1AY.  
Telephone 01-628 9876

SAVORY  
MILLN

SAVORY MILLN LIMITED  
MEMBERS OF THE STOCK EXCHANGE

## FUND MANAGER — U.S. EQUITIES

Our client is a leading firm of UK stockbrokers with substantial international funds under management. Following a rearrangement of responsibilities, they are now seeking a specialist Fund Manager to look after the considerable US equity portfolios they manage.

This is a senior appointment and will be competitively remunerated. The ideal candidate will already have had at least five years' experience in the US equity market and be able to quantify his/her past investment performance. Knowledge of other markets will be an advantage, as will the ability to articulate investment policy.

The existing international investment management group is well-established and, whilst flair and original thinking are highly valued attributes, it also essential that candidates should enjoy working as part of a team.

Applications will be forwarded direct to our client. Please send a comprehensive career résumé, including salary history and day-time telephone number, and indicating any companies to whom you do not wish to apply, quoting ref: 2333 to W.L. Tait, Executive Selection Division.

**Touche Ross**  
The Business Partners

Hill House 1 Little New Street London EC4A 3TR Tel 01-263 8011



## CLEVELAND SECURITIES plc

Require DEALERS & SETTLEMENT CLERKS (Transfers)

Dealers—2 years in Stockbroking/Stockjobbing/Eurobonds

Age 19+ Salary Negotiable

Settlement Clerk—3 years' experience

Ring Claire Hamilton 723 8028

# Group Finance Director

## West Country

Our client is a Public Company which manufactures high quality specialist consumer products. Nearly half its turnover is exported.

A heavy capital investment programme and the development of new products and markets are the keys to the company's dramatic improvement in financial performance and projected future growth.

It has retained us to recruit as Group Finance Director, a Chartered Accountant in the late 30s or early 40s.

You will currently be at Director level in a major company whose business is ideally in light/process manufacturing, with some export content.

**MAL**  
Management Appointments  
Limited

c.£35,000 + bonus

You must be a fully creative Financial Manager, capable of making an effective and comprehensive contribution at the top of a relatively small, but ambitious, public Group.

The terms are comprehensive and include an executive bonus, negotiable contract, expenses etc. Full removal expenses will be reimbursed if necessary.

Please contact Peter Wilson FCA, the Group's adviser, by sending him a brief but succinct c.v. in total confidence to Management Appointments Limited (Search & Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel: (01) 930 6314.

## HIGH ACHIEVERS OF EXCEPTIONAL CALIBRE CAN REACH PARTNERSHIP IN 3 YEARS

Management Consultancy is perhaps best defined as solving other people's problems. Small businesses, multi-national corporations and government departments all have problems to solve, or a second opinion to seek prior to taking important decisions; which is where we come in.

Touche Ross is one of the fastest growing of the international consultancies, with a reputation for excellence not only in our work but in the quality of people who join us.

Currently, we are able to offer young, outstanding, financially experienced talent the stimulus

to progress rapidly to partnership in 3 years.

To meet our selection criteria however, you will need an excellent first degree (MBA an advantage) and be able to clearly demonstrate exceptional intelligence, a unique and successful record in commerce or industry and the intellectual prowess to handle a variety of highly complex challenges.

We have an open, informal structure that encourages strategic self direction and personal achievement. Our comprehensive training programme will help equip you for the task ahead. Salary will not be

a barrier and a company car is provided.

Please write (in complete confidence) with full CV, to: Michael Hurton, (Reference 2336), Touche Ross & Co., Management Consultants, Hill House, 1 Little New Street, London EC4A 3TR. Telephone 01-353 8011.

**Touche Ross**  
Management Consultants

## A key role in BUSINESS PLANNING and ANALYSIS

c.£15,000 + many benefits

To provide a Planning and Forecasting Service by establishing and maintaining plans and forecasts reflecting equipment needs, capacity provision and income projection. In a nutshell, that's the broad job specification for the important task of managing the financial and product planning of our Information Services Division - a high-tech area which designs, builds and supports all of the information and communication services provided to Member Firms and other sections of the financial community. It's a demanding job in which you will be preparing tariff models and projections; providing a Planning Analysis based on the latest Management Plan; monitoring and providing a Financial Services Analysis and undertaking Cost Analysis against Services.

We need a graduate with good analytical skills and business acumen, who has experience in an accounting environment with an involvement in financial planning or, perhaps, has had an 'overview' opportunity to see the way e business functions. Someone with work experience in an advanced technical systems area who now wishes to expand and develop their career into an area which is in the forefront of technology.

The starting salary will be in the region of £15,000 p.a., and an excellent benefits package includes a fully paid season ticket, non-contributory pension scheme, BUPA and subsidised lunches.

Please apply with a full c.v. to Mary Thom, Personnel Manager, Information Services Division, The Stock Exchange, Old Broad Street, London EC2N 1HR.

**The Stock Exchange**

**Morgan  
Grenfell**  
& CO. LIMITED

## Financial Modellers

For some 15 years Financial Modelling has been a vital service to our clients. From modest spreadsheets to the most subtle and complex project models, our Information Services Department, working closely with the best Banking professionals in the City, offers an unrivalled combination of skills and advice.

As part of our expansion programme, we now require experienced Financial Modellers who are seeking a new challenge.

Candidates should be graduates in a numerate or financial discipline with at least 3 years experience of serious modelling preferably using IBM PC based languages in a financial services environment, with the flexibility to meet other PC based development challenges. They should also possess the personal qualities to deal effectively with senior members of the Bank and their clients.

Salaries will be highly competitive, reaching the late teens for the best people and normal banking benefits including subsidised mortgage, non-contributory pension and BUPA will be provided.

Applications should be made in writing, including brief details of career to date, to: Miss G Nash, Personnel Officer, Morgan Grenfell & Co. Limited, 23 Great Winchester Street, London EC2P 2AX

## GROUP FINANCIAL ANALYST Excellent salary and benefits

The Woolworth Group of today is a rapidly changing and exciting environment. To maintain our impressive record of growth and guide the Group into the future, we are looking for a professional Financial Analyst to be based in our new Group headquarters.

Reporting to the Group Chief Accountant, your major functions will be to analyse and report on business trends and budgets, to assist in the preparation and review of five year plans, to design and implement Group capital expenditure control systems and to take an active role in the formulation of expansion plans.

We expect you to be qualified to MBA or equivalent with a statistics/economics background and at least two years post graduate experience preferably gained in a retail or property environment.

Your knowledge of business systems and operations will ideally be supported by practical experience of micro computer applications. You must have a methodical and analytical mind combined with highly developed interpersonal skills; as much of your work will involve liaison at all levels within the Group.

Rewards reflect the importance of this key position, including an excellent salary, and a first class range of benefits.

Write now with full C.V. to:

Angela Wilson, Woolworth Holdings plc,  
242-246 Marylebone Road, London NW1 6JC.

**WOOLWORTH HOLDINGS**

## EUROBOND DEALER

A specialist in the FAR EAST market is being urgently sought by an expanding international securities house.

## CONVERTIBLE BOND DEALER/SALES

An active bond operation is seeking the additional expertise of an experienced dealer/sales with a minimum of 4 years involvement in convertibles.

## FRN SALES

An experienced sales executive is required by a leading bank in the City.

## SENIOR EUROBOND TRADER

This position in a leading European bank is primarily to make two-way markets in U.S. weights with U.S. and European corporate customers.

## PENSION/INVESTMENT MANAGED FUNDS DEALER

An experienced Eurobonds dealer is required to join a team of U.K. pension fund portfolio managers to provide the expertise in this sector.

**OLD BROAD STREET  
BUREAU LIMITED**  
STAFF CONSULTANTS

01-588 3991

**EQUITY  
DEALER**

c.£30,000

**SECURITIES  
SETTLEMENTS**

c.£15,000

A new and expanding Securities House who have already established a good market reputation seek to make two new appointments due to increasing trading activity.

Applicants are likely to be ambitious achievers with two years experience in the above fields, who now feel ready to make a major contribution to the continuing growth and success of our Client.

Contact Ann Windsor on 01-628 4737

UPTOWN PERSONNEL SERVICES

## Head of Sales An Exciting New Challenge

£40-60,000 + Benefits

The London-based merchant banking subsidiary of a well established US commercial bank seeks to recruit a highly professional individual to fulfil a vital role in developing their newly formed Capital Markets Group.

The ideal candidate will have a minimum of four years' experience in an established sales team, dealing with a broad range of Euromarket instruments. These will include fixed rate issues denominated in all major currencies, FRNs and possibly Euronote issues. A heavy specialisation in any one currency, domestic instrument, or product would be an advantage but not a prerequisite for the position.

Age is not a limitation but the individual must have the ability and experience to help form and manage a professional sales team. Within five years it is envisaged that this could consist of a dozen people covering different geographic areas.

Management of a dynamic and varied group of people will be essential in the successful development of this unit. Close working co-operation with the Head of Trading and of Syndication will be important as the applicant will be an integral part of a close-knit team.

This is a unique opportunity for an individual to join in the initial development of a new Capital Markets Division and show their flair and leadership abilities in creating a highly successful operation.

In the first instance please contact Sally Poppleton on 01-404 5751 or write to her enclosing a comprehensive curriculum vitae at 39-41 Parker Street, London WC2B 5LH, quoting ref. 3581.



**Michael Page City**

International Recruitment Consultants - London Brussels New York Sydney

A member of the Addison Page PLC group

## Project Controller

Cumbria

Vickers Shipbuilding in Barrow-in-Furness is a

successful division of British Shipbuilders, mainly producing nuclear-powered submarines. A

requirement exists for a Project Controller responsible for the financial, commercial and procurement activities of a new major project which has significant interests for national defence. In addition the role carries responsibility for establishing and operating project management and control systems.

Reporting to the Project Manager, the Controller will join a team all of whom are specialists in their own field. Candidates should have a relevant business degree, or be fully qualified accountants. A working knowledge of

the finance, management accounting and commercial

functions is required, while experience in project management systems is essential. A high degree of interpersonal skill is required to meet the demands of this appointment. The age indicator is 30 or over.

With a requirement to live within easy reach of Barrow, full re-location expenses will be given where any move is necessary to this area adjoining the lakes and fells of Cumbria.

Please write in confidence giving concise career and personal details, quoting Ref. R123, to Dr A. Brearley, as adviser to the company.

Arthur Young Management Consultants, Commercial Union House, Albert Square, Manchester M2 6LP.

**Arthur Young Executive Selection**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

**USS**

The Universities Superannuation Scheme is seeking to recruit two high calibre assistant fund managers to join its small and successful Investment Team which is responsible for funds of over £1.4 billion. Enthusiasm, initiative and the ability to work with the minimum of supervision are required attributes for both positions.

## Assistant Manager—UK Equities

The successful candidate will assist the U.K. Equity Fund Manager in managing a portfolio of £800 million. Responsibilities will include both investment analysis and dealing.

## Assistant Manager—Overseas Equities

The successful candidate will join the Overseas Investment Manager in managing an overseas portfolio in excess of £350 million. Experience of Japanese securities would be a particular advantage, enabling much of the responsibility for this area of investment to be delegated to the appointee.

Fully competitive salaries will be paid in both instances. Preferably, applicants will be aged between 25 and 30 and have at least 2 years full time experience as a fund manager and in addition a degree or appropriate professional qualification.

Applicants should write enclosing a full C.V. and details of present responsibilities to:

J. C. Spink, Esq.,  
Universities Superannuation Scheme Ltd.,  
28, Martin Lane, London EC4R 0DJ.

## SENIOR INVESTMENT MANAGER

**JAPAN**

Based in Edinburgh

Remuneration Package c.£35,000

One of Scotland's leading financial institutions requires a Senior Investment Manager to lead an existing team managing substantial Japanese Equity Portfolios. The qualities required are those of drive and enthusiasm based on experience of managing such funds. There are excellent promotion prospects for the right candidate. Benefits include subsidised mortgage and non-contributory pension scheme.

Apply in the strictest confidence to The Managing Director, Box No 27, Taylor & Partners, 22 Drumsheugh Gardens, Edinburgh EH3 7RN. All applications will be acknowledged.

## APPOINTMENTS ADVERTISING

Appear every THURSDAY

Rate £37.00 per single column centimetre plus VAT

Financial Times Thursday November 21 1985

# Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

## Business Manager

### Major New Business Investment North East, c £20,000, Car

An outstanding opportunity for a true entrepreneur to take control of an exciting new business venture. Financed by a leading international corporation and already successfully trading and rapidly expanding in the United States, the concept is now to be introduced to European markets. Activity is related to the provision of a unique coordinated home furnishing design and supply service, operated through a network of licenced retail outlets. After the initial familiarisation period the role of the manager will be to establish operations in the UK, co-ordinating the involvement of retailers and major product suppliers and initiating marketing and sales activity. Subsequently the manager will establish a small, highly efficient operational and control team, capable of rapidly expanding the business throughout the UK. Candidates will be business graduates formally trained in sales and marketing within a leading consumer products manufacturing organisation. They will now be functional or general managers looking for an opportunity to demonstrate their flair, creativity and business development skills.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to A.D. Kelly, Hoggett Bowers plc, 4 Mosley Street, NEWCASTLE UPON TYNE, NE1 1DE, 0632 327455, quoting Ref. 44269/FT.

## PORTFOLIO STRATEGY in Investment Management

Our client, a major force in international financial markets, has substantial assets under management and an enviable performance record. They now wish to appoint an exceptional individual to play a unique role in formulating a Portfolio Strategy.

Candidates, probably in their mid to late twenties will possess a first degree in economics and ideally, a further degree in a financially orientated discipline. An understanding of currency markets is particularly important and although candidates should be able to demonstrate a positive career progression, personal qualities such as enthusiasm and first class communicative and inter-personal skills are essential.

Reporting to the Director of Strategy, the job involves broadly based analysis of international markets and, as a member of the investment strategy and fund management team, playing a key role in the formation of overall portfolio strategy.

The salary package, including a full range of benefits will be commensurate with the importance placed upon this appointment.

Please contact Elizabeth Evans or Stephen Embleton who will treat all enquiries in strictest confidence.



Rochester Recruitment Ltd, 22A College Hill, London EC4R 2RP  
Telephone: 01-248 8346

## LECTURESHIP IN GERMAN Salary up to £15,520

The Department of Modern Languages seek candidates with research interests and qualifications in economics or economic history, together with the ability to conduct lectures and seminars in German.

Candidates with interests in political, economic and/or social institutions of West and East Germany and in socio-economic change and economic policy, will also be welcome.

The appointments will be for a period of three years initially and offer the possibility of renewal or subsequent transfer to a continuing appointment.

Initial salary will be within and may be up to the maximum of the range £7,820 to £15,520 per annum.

Application forms and further particulars are available from:  
The Personnel Officer (Academic Staff), Aston University, Aston Triangle,

ASTON UNIVERSITY

## Management Consultancy an Exceptional Opportunity!

Central London 28-35 £22,27,000 + CAR

An outstanding person is required to handle assignments involving financial and general management issues for a wide variety of clients, including unquoted companies. The successful applicant will be a Chartered Accountant, probably with experience as a financial controller, and able to demonstrate commercial flair. Previous consulting experience is desirable, but this should not deter exceptional candidates from applying.

The management style is entrepreneurial, demanding and participative. For someone able to help expand the business, the rewards to be earned and the career prospects will be attractive to the most ambitious people.

Please send a c.v. with details of current salary and a daytime telephone number to Barrie Pearson (ref LFA).

LIVINGSTONE FISHER ASSOCIATES  
MANAGEMENT CONSULTANTS  
Acre Lane, 62/71 Lang Acre, London WC2E 9JW  
Telephone 01-375 9467 Telex 865 3749  
An associate of H. W. Fisher & Co

## Stockbrokers

Are you feeling bullish about your business prospects?  
Are your profits as a broker eroded by excessive support costs?  
Our clients can offer you:  
• up to 50% return commission  
• access to highly advanced back office systems for executing your business  
• the backing of an independent, well capitalised and rapidly expanding private client firm.

If you would like to find out more, contact David Robinson of Spicer and Pegler Associates, 104a Court, 65 Cruchett Fins, London EC3N 2RN; (01-766) for a confidential discussion.

Spicer and Pegler Associates  
Management Services

## Hoggett Bowers

Executive Search and Selection Consultants

### Chief Executive

#### Consumer Durable Products West Yorkshire, £35,000

Our Client, a privately owned British Company, is engaged in the manufacture and supply of consumer durable products, and is widely regarded both in the UK and overseas market for its superbly designed product range. The organisation now seeks a Chief Executive of exceptional talents to lead the company into a further stage of expansion and development. You are likely to be aged 40+, with proven senior managerial success, either at Divisional Director level in a large public company, or as Managing Director in a medium sized company - involved in light/medium engineering. This is a position for a capable, all round Executive of significant presence and leadership ability, with an impressive pedigree particularly in the marketing, manufacturing or financial disciplines. There are ambitious plans for growth, organically and through possible acquisition and there is a strong likelihood of public flotation in the foreseeable future. The position offers an attractive performance related bonus in addition to the salary and a first class executive benefits package including relocation.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to J.A. Thomas, Hoggett Bowers plc, 7 Lisbon Square, LEEDS, LS1 4LZ, 0532 448861, quoting Ref. 14039/FT.

## FOREX

### APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency

TERENCE STEPHENSON  
Prince Rupert House  
9-10 College Hill, London EC4R 1AS  
Tel: 01-248 6263

### Appointments Wanted

A QUALIFIED EXPERIENCED BANKER  
with a minimum of 5 years  
experience in the Banking  
Industry, to cover  
various areas of  
Banking.

## ESCAPE FROM CONFORMITY IN 1986?

Finding a career that can give a lifetime of satisfaction has always been a challenge.

MANULIFE, one of the world's largest Canadian life insurance, investment and pension companies, offer you this opportunity:-

- \* A substantial basic income
- \* Unfinished bonus potential
- \* World-wide company conferences
- \* And a great deal more.

If you have AMBITION, INTEGRITY, and DRIVE - telephone us NOW and join the success that many have been able to achieve.

DAVID PILLING (SOUTH LONDON BRANCH) 01-661 1625

JOHN NORTHOVER (CITY BRANCH) 01-247 3465

APPOINTMENTS ADVERTISING APPEAR EVERY THURSDAY  
Rate £37.00 per single column centimetre plus V.A.T.

SYDNEY

SYD

## SPOT FX Dealer

The Treasury and Capital Markets Division of Charterhouse Japhet plc is a key business in the Bank's future development. The growth of foreign exchange business since Paul Green and Ian Sangster joined us earlier this year has now created an opportunity for a capable and enthusiastic Dealer, with a year or more's dealing experience, to join the team. (No trainees please - we have promoted in-house staff to these positions). We offer a challenging job, and an attractive reward package. Please telephone or write to John Astbury or Paul Green for further information on 01-248 3999. Charterhouse Japhet plc, 1 Paternoster Row, St. Paul's, London, EC4.



### MAJOR INTERNATIONAL BANKING GROUP

#### FAST CAREER TRACK

£25-50,000 Neg.

Our client is recruiting aggressive young bankers, with proven management skills, for their UK and European operations bases.

The positions in question offer broader responsibilities than the norm, including product management/development, systems management/development and product/technical marketing.

These are "across function" roles which require sound experience of operations/systems management coupled with the ability to discern and work with rapidly changing trends in international banking, the products and European/world markets.

Candidates will be drawn from a general operations background; particularly transaction based products, systems/technology banking and will be above average achievers both educationally and in the work place.

EEC nationals, preferably with some language ability, prepared to base themselves (now or in the future) at one of the bank's European branches should apply in confidence to:

Robert Milne,  
CRAWFORD RECRUITMENT,  
Walmar House, 288 Regent Street, London W1R 5HE.  
Telephone: 01-631 5045

## Swaps

Nordic Bank, a member of the Den norske Creditbank Group, is continuing to develop its investment banking business and now seeks a senior executive to take responsibility for the marketing and development of its interest and currency swap activities.

Applicants should ideally have a minimum of three years' experience in the sector. Knowledge of the Scandinavian markets and/or currencies would be helpful but is not essential.

A competitive salary supplemented by the full range of banking benefits will be offered to the successful candidate.

Written applications must include full career details and should be sent to:

T. O. KOLLINSKY at NORDIC BANK PLC,  
Nordic Bank House,  
20 St. Dunstan's Hill,  
London EC3R 8HY.

Nordic Bank

a member of the Den norske Creditbank Group

## Capital Markets

### Corporate Finance

c.£40,000 + Benefits

#### London based

The investment banking subsidiary of a prime US bank requires a corporate finance specialist with extensive experience in the Canadian financial market.

Liasing with a Toronto based team, the role will necessitate developing and sustaining relationships with major Canadian borrowers, both public and private. Monitoring conditions across all securities and currency markets, you will be expected to recognise opportunities and then originate and close fund raising transactions with these borrowers.

Aged around 30, you will already have worked in the Canadian marketplace and acquired the experience and knowledge to effectively market the bank's services to senior civil servants and corporate treasurers. Familiarity with all aspects of winning mandates and completing transactions in fixed and floating rate securities, swaps, loans and note issuance facilities is a prerequisite.

Those who are keen to join a leading bank in this region with a growing reputation for its professional, innovative approach, should contact Christopher Smith on 01-404 5751 or write to him, enclosing a comprehensive curriculum vitae, at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3580.



### Michael Page City

International Recruitment Consultants - London Brussels New York Sydney

A member of the Addison Page PLC group

## Project Finance

#### City

£25,000+

Our client is a subsidiary of a major banking group with interests and operations worldwide.

Business growth has created the need to recruit an experienced Project Finance Executive. Responsibility will be for the monitoring and marketing of major finance projects for a specific geographic region, involving both project appraisal and feasibility analysis, using computer modelling as appropriate. The formulation and presentation of financial packages using other product and geographic areas of the bank will also be a key feature of the appointment.

Candidates will be graduates - aged 26 to 35 - with several years in banking, of which at least 3 years will have been spent in the project finance field. Experience must have included project assessment and the preparation of finance packages. Of particular interest will be experience in the use of Capital Markets instruments in formulating lowest cost overall financing offers.

Excellent banking benefits are those expected of a major group.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M Horner, ref B.2234.

This appointment is open to men and women.  
HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australia and Asia Pacific.

**HAY-MSL**

CONFIDENTIAL ADVERTISING

## Accountancy Appointments

### RETAIL MANAGEMENT ACCOUNTANTS

#### London

c.£16K + Car

One of the country's most dynamic, successful and fastest-growing retail groups requires two qualified and commercially experienced people, aged 25-30.

One role will be working directly with operational managers, the other with the central function and will include systems development. In both cases, experience of micros and PCs would be helpful. Post-qualifying commercial experience is mandatory.

These are both career openings.

Full cv's please to

John West,  
West Daines & Co.,  
9/9a New Bond St.,  
London W1Y 9PE.  
Tel: 01-629 6797/  
01-491 7216.



**WEST DANES & CO.**

### MANAGER — FINANCE AND ADMINISTRATION

#### Central London

Up to £25,000

A major international professional partnership needs an experienced and capable manager to take full responsibility for all finance and administration functions within a self-contained division. An additional responsibility will be the further development and implementation of office automation systems.

Reporting to the Partner-in-Charge and controlling approximately 15 staff, the successful candidate will be expected to make a strong and positive contribution to the efficiency and profitability of the business.

Applicants should be mature qualified accountants, preferably in their forties, with proven ability both in exercising effective financial control and in efficiently managing people and services. Since management of both clients' funds and the firm's own cash resources is a key area, experience in this field is also highly desirable.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2335 to W.L. Tait, Executive Selection Division.

**Touche Ross**  
**The Business Partners**

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011



### FINANCIAL DIRECTOR

#### Manchester

c.£20,000 + car + benefits

Our client is a profitable and expanding £5m turnover manufacturing subsidiary of a successful publicly quoted engineering consultancy and design group. About 80 percent of sales are overseas. The company requires a qualified accountant with commercial flair and experience in overseas contracting to join the management team as Financial Director.

Reporting to the Managing Director of the subsidiary, he or she will have a staff of eight, including a company accountant. The prime responsibilities will be to:

- provide management with the financial and commercial advice and information necessary for continued export-orientated growth;
- control the development of new computer systems.

The ideal candidate will have a successful track record of fulfilling both of these roles and possess:

- the energy and drive to make things happen;
- the personality required to communicate effectively with senior management.

This is an excellent opportunity to be part of an enthusiastic management team dedicated to profitable growth. If you want to be involved please send a full career résumé with salary history to Mark Rea, Executive Selection Division, at the address below, quoting reference 2334.

**Touche Ross**  
**The Business Partners**

P.O. Box 500, Abbey House, 74 Mosley Street, Manchester M60 2AT. Tel: 061 228 3456



### MANAGEMENT CONSULTANCY

A most exciting opportunity exists for a qualified person preferably aged between 28-35 with an Accountancy/Commercial background, to join a newly formed Business and Management Service Company in the North West. This Company is backed by a group of practising Chartered Accountants, and the candidate selected would be responsible for running and developing the Company which will advise on computer installations and systems, accounting systems, production of management information, and development of other services.

Attractive remuneration package offered.

Send C.V. to:

Cheshire Business Consultants Limited  
98 Appley Lodge  
Wimborne Road  
Manchester M14 6HZ.

### Computer Audit Regional Manager

We are Thornton Baker, a major national firm of chartered accountants with a strong international practice. We provide computer audit and other computer related services throughout the country, and have a specialist computer audit function based in Manchester, which serves a group of our offices in the north of England.

Following internal promotion we wish to appoint a Computer Audit Regional Manager who will be responsible for undertaking high level computer audit work and for supervising specialist staff employed in the region, planning their work and monitoring its quality, to ensure high standards of client service, as well as strengthening and developing our wider service to clients in the high technology field.

Candidates must be chartered accountants who are experienced in computer audit at operational and managerial level, familiar with a range of mainframe and microcomputer equipment, able to program in a high level language and capable of demonstrating interpersonal skills which are called for in client and colleague relationships.

We offer not only a comprehensive remuneration package which includes a salary which reflects the seniority and importance of the post, car, contributory pension and life cover scheme, BUPA benefits for family and necessary relocation expenses but also the opportunity to undertake varied and interesting work together with partnership prospects for the right candidate.

If you believe you fit the candidate specification please send details of your career and contact telephone numbers quoting 630014/FT to:

W.A. Bolton, Thornton Baker, Brazenose House, Brazenose Street, Manchester M2 5AX.

Interviews will be held in Manchester and London.

Thornton Baker



Nobody gets closer to clients

### DEVELOPMENT ACCOUNTANTS

Serving many governments and various private industries in more than 60 countries, Cable and Wireless can truly claim to be world leaders in international telecommunications.

Our Finance Department, based at our London Headquarters, concentrates on the financial planning, reporting and control requirements of the Group. As a result of recent rapid expansion we have a need for experienced Development Accountants to join a small professional team dedicated to developing and implementing improved financial management systems and procedures.

Working on a wide range of projects, you must have the ability both to lead or to work as part of a team. It is a role that will not only include some travel abroad, possibly at short notice,

but also offers excellent opportunities for career development in the UK and overseas. You should be a fully qualified accountant with several years' post qualification experience working in a professional accounting firm or an efficient commercial organisation, ideally having had some

responsibility for the development and implementation of computerised financial systems.

If you are enthusiastic and self-motivating and possess a broad commercial awareness, with an understanding of the complexities of a large organisation, you will find working with Cable and Wireless both challenging and rewarding.

We are offering salaries from £18,000 per annum depending on relevant experience. There is also an excellent benefits package including company car, BUPA, and assistance with relocation if necessary.

There are also contract opportunities which will entail short-term development assignments in the UK prior to taking up finance positions overseas.

Please send full details, quoting ref: R511/FT to:  
Recruitment Manager,  
Cable & Wireless plc,  
Mercury House, Theobalds Road,  
London WC1X 8RX.  
Or telephone 01-405 4980 (24 hours).



**Cable and Wireless**  
Helps the world communicate

### EXECUTIVE JOB SEARCH

Are you earning over £20K and seeking a new job?

The Connaught Services have helped more executives to find new appointments than any other organisation - mainly in the undivided vacancy area.

Contact us for a free confidential meeting. If you are currently abroad, enquire about our EXPAT EXECUTIVE SERVICE.

32 Savile Row

London, W1

Connaught

01-734 3879  
(24 hours)

The Executive Job Search Professionals

# Accountancy Appointments

## Director of Finance

London

£30,000  
+ car

This expanding partnership offers an extensive range of professional and advisory services to business and the public sector in the past five years growth has been dynamic, and continuing profitable expansion is ensured by technical quality and innovation. The firm is a market leader, operates internationally, and has a considerable presence in London.

The Director of Finance will be responsible for all the accounting and financial functions of the London office. With a staff of 20, you will provide accurate and meaningful information to the five main operating divisions. A prime task will be to maintain proper financial controls and procedures to meet the firm's current information needs.

**Arthur Young Executive Selection**  
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

The ideal candidate will be a qualified accountant with several years commercial experience, preferably in a service industry. Probably a graduate, with strong technical skills, the successful candidate must also be firm, tactful, and understanding. Other qualities essential for success are strong communication skills and the ability to deal effectively at all levels and under pressure. Age indicator: 30-40.

Please reply in confidence, giving concise career, personal and salary details, quoting Ref. ER624 to Peggy Eva, Executive Selection, Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

## SENIOR INTERNAL AUDITOR

£20,000 + Car + Relocation

Bournemouth

Our client is a substantial international financial institution who shortly will be launching into the UK market a proven range of medical insurance products. They are currently relocating to the South Coast as part of their planned development programme.

They are seeking a high achieving accountant to join their executive team and take responsibility for their internal audit function. Reporting to the Financial Director, this highly visible position will involve significant systems analysis and implementation, monitoring of the quality of customer service and the motivation and management of staff.

This would be a particularly suitable career position for an ACA looking for ultimate line responsibility as part of a structured career plan. A strong personality, enthusiasm and ambition will be just as important as technical skill.

Please write with full CV to me, Robin McWilliams, Consultant to the Company. Your application will be treated in strictest confidence.

Business Development Consultants (International) Ltd, 63 Mansell Street, London E1 8AN.



## Paramount Pictures Financial Analyst

West London

Some overseas travel

Paramount's motion pictures and videos are marketed and distributed outside North America by two joint venture companies, United International Pictures (UIP) and Cinema International Corporation (CIC).

A young, commercially aware and ambitious ACMA or ACA is now required to monitor and analyse the performance of UIP and CIC and to become Paramount's resident expert on all financial and related matters involving these businesses.

The person will be responsible for preparing an extremely wide variety of management reports, both regular and ad hoc and providing verbal and written briefs and critical analyses for use by senior management.



**Michael Page Partnership**

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

to £18,000

in London, Amsterdam, New York and Los Angeles. This would involve occasional visits to these locations. This is an exceptionally high profile role for a young professional and an excellent opportunity to enter a fast moving dynamic environment as a key member of the management team. Promotional prospects are exceptional, with opportunities of rapid advancement both in the UK and overseas.

If you believe you have the drive and determination that our client requires, please contact Hugh Everard on 01-831 2000 or write to him, enclosing a CV at Michael Page Partnership, 39/41 Parker Street, London WC2B 5LH, quoting ref. L2062.



## Financial Planning Manager

C. London

c£23,000 + Performance related bonus and fully expensed car

PepsiCo Inc. is one of the largest and fastest growing consumer goods companies in the world, with a turnover of \$8bn and ranked 44th in the Fortune Top 100.

As a result of internal promotion, Pepsi-Cola International's Northern European Region is now seeking to recruit an outstanding individual for the position of Planning Manager, reporting directly to the Finance Director.

Responsibilities will include working with operations and marketing staff on commercial projects across the Region (UK, France, Belgium, Netherlands, Scandinavia), taking responsibility for divisional planning and forecasting requirements and making a creative contribution to the business.

Suitable candidates will be aged 27-33, preferably with an MBA or accounting qualification, with 3-5 years' relevant business experience. He/she will thrive in an entrepreneurial, results orientated environment and have highly developed commercial, interpersonal and analytical skills, gained in a multinational FMCG company. The successful candidate should also be internationally mobile since future promotion opportunities may be offered in one of several overseas locations.

Interested applicants should contact Hugh Everard on 01-831 2000 or write to him, enclosing a CV at Michael Page Partnership, 39/41 Parker Street, London WC2B 5LH quoting ref. L2063.



**Michael Page Partnership**

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney  
A member of the Addison Page PLC group

## Baring Far East Securities Limited

## Financial Controller

London EC3

£20-25,000  
plus substantial bonus

This vacancy arises from the considerable growth of our client together with their aggressive plans for the future.

The major task of the Financial Controller is to contribute to the Company by:

- \* managing and updating accounting, control and information systems
- \* monitoring, reporting and recommending action on cash flow, trading and budgets
- \* handling VAT, tax and statutory accounts

The appointment calls for a fully qualified Accountant around thirty years old with strong computer systems knowledge and experience gained from a stockbroker or similar financial organisation. The successful candidate needs abundant energy, a keen interest in corporate and personal prosperity and a record of "hands on" initiative, innovation and success in a fast moving environment.

The management style is informal and the team are hard working but friendly. A £20 to £25,000 pa salary, contributory pension and BUPA are offered together with the opportunity for effort and originality to be recognised by a substantial profit related bonus payment.

Applicants should write with a cv and a daytime telephone number quoting reference 1439 to:-

**Binder Hamlyn**

MANAGEMENT CONSULTANTS  
Trevor Austin, Executive Selection Division  
Binder Hamlyn Management Consultants  
8 St Bride Street, London EC4A 4DA

## GROUP FINANCIAL CONTROLLER

CENTRAL LONDON

c.£30,000 + car

Three years ago this public group had one product, a declining market share and profits were little better than break even. Through the efforts of its new management the group's fortunes have altered dramatically, by establishing new markets for existing products and by acquisition. Turnover will exceed £40m in the current year, profits are expected to quadruple again, and there are further acquisitions in the offing. This new appointment reports to the Chief Executive and responsibilities range from developing new group accounting systems with emphasis on their commercial value to assessing the pros and cons of potential acquisitions. The successful candidate will be a Chartered Accountant aged 30-40, with experience of group reporting in a PLC. Essential personal qualities are empathy with subsidiary company management, whilst appreciating the group's financial objectives. Benefits are excellent and will shortly include a share option scheme. Ref. 0204.

Please telephone Robin Rotherham requesting an application form.

01-541 5580

(24 hours)

6-8 Thames Street, Kingston-upon-Thames, Surrey, KT1 1PE.

## Finance Director

An opportunity for an ambitious young Financial Director to build a Finance function in an entrepreneurial communications/publishing environment

£25,000

Kingston

Our client is the newly created subsidiary of a rapidly growing US company operating in the fast moving, communications/publishing industry. Having successfully developed a unique concept within their domestic market, they now have ambitious plans to extend their business into the UK.

Reporting to the Managing Director you will be responsible for creating and implementing all the systems and controls of the finance function, as well as managing other aspects of office administration. You will have considerable autonomy and the role therefore offers an unusual opportunity to exploit your abilities without the constraints present in most corporate environments.

We would like to talk to young, high calibre, qualified accountants, whose post-qualifying experience has been gained in fast moving, preferably US multinational organisations. You should have a flexible and creative approach and the ability to match these skills with hard work.

In addition to salary indicated, the post offers a competitive range of fringe benefits and the prospect of significant career development as the business grows.

Applicants of either sex should apply in confidence to Bob Wilson on (0962) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, quoting ref. 624.

**Johnson Wilson & Partners**  
Management Recruitment Consultants

**BOC Cryoplants**

## Chief Accountant Manufacturing Division

N. London

c.£18,500 + Car

BOC Cryoplants Ltd is the successful cryogenic plant and equipment division of BOC Group, engaged in both manufacturing and contract engineering work. The impending relocation of the engineering function has created this new role for a mature, seasoned accountant

in the manufacturing division in Edmonton, N18.

Reporting to the Manufacturing Director, the Chief Accountant will assume the most senior financial role in a manufacturing unit turning over c.£20 million. Managing seven staff, there will be responsibility for all financial controls, maintaining the factory costing systems as well as preparing budgets and forecasts. In the medium term a major computerisation programme is to be implemented which will embrace all accounting systems as well as production control procedures. The Chief Accountant will be expected to take a major role in this programme.

Candidates should preferably be qualified accountants, aged 40-50; they should possess in-depth experience of manufacturing as well as expertise in job costing and computer systems.

Please apply directly to Greg Ripley at Robert Half.

ROMAN HOUSE, WOOD STREET, LONDON  
EC2Y 5EA. 01-638 5181

**ROBERT HALF**

MANAGEMENT RECRUITMENT  
LONDON BIRMINGHAM NEW YORK & OTHER CITIES WORLDWIDE

A leading UK Marketing Services Company  
seeks to recruit a

## FINANCIAL CONTROLLER

FINANCIAL DIRECTOR DESIGNATE

c.£18,000 + Car - West of London

The Company is part of a diverse and expanding privately owned group, which aims ultimately to be a substantial public company. To strengthen the management team, we now seek to appoint a young Financial Manager who will play an important part in the development of the Company through a commercial approach to business and by establishing strong financial control systems.

You will be aged 28-30 with a professional financial qualification and ideally will be a Graduate.

Apart from a first class salary and benefits package, the successful candidate will have a rare opportunity to develop in a group whose expansion plans are exciting and realistic.

Candidates should write with full details of their education, career and present salary to:

The Chairman, Associates in Advertising Limited, Columbia House, 69 Aldwych, London WC2B 4DX.

**associates**  
IN ADVERTISING

# Accountancy Appointments

## Creative and Analytical?

Our client, one of the world's largest insurance brokers, has an international network with interests in over 40 countries, including the USA, the UK and Europe. It is committed to further improving the centralised services provided to operating units and seeks outstanding individuals to compliment its team.

### Senior Consultant c. £30,000 + car

Strong financial skills and DP understanding are required for this wide-ranging role. Areas for attention might include profit improvement, cash handling, project management and planning assignments.

Candidates, probably professional consultants and in their mid 30s, will have a flair for problem solving and experience of the insurance sector.

### Audit Management c. £25,000 + car

Reporting to the Director of Audit UK/Europe, key responsibilities will include planning and managing audit involvement, systems development reviews and special investigations.

Candidates, probably aged around 30, will be qualified accountants, ACA or ACCA, with practical knowledge of the insurance industry gained in a large professional environment.

Both positions will require considerable contact with senior management and strong inter-personal skills are vital. Although City based, there will be opportunity for a certain amount of foreign travel. Please reply to Martin Manning in strict confidence, enclosing full personal career details, quoting reference 1539/S for the Senior Consultant position, or 1539/A for the Audit Management position, on both envelope and letter.

**Deloitte  
Haskins + Sells**

Management Consultancy Division  
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

## Finance and Administration Director

### Insurance Brokers Yorkshire

c. £25,000  
+ Car  
+ Profit Share



Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

This well established independent group of insurance brokers provides a professional service from their Yorkshire base to clients in the UK and overseas. With turnover in the region of £20m, the client base covers a wide range of business interests, including property, agriculture, retailing, manufacturing industries, and hi-tech industries.

A Finance and Administration Director is required to formulate group financial and accounting policy, and to provide advice and information to the Board. Responsibility involves treasury, legal and secretarial services, and corporate planning. Further development of existing computer services is a major task, as is

the development of an Employee Share Option Scheme. Reporting is to the Chief Executive.

Candidates, preferably around 35, should be graduates qualified to at least ACA, who can demonstrate an innovative approach and a successful track record in commercial policy making. Experience of well-developed computer systems is essential.

Please write in the first instance, with a concise resume, to Dr A. Brearley, as adviser to the company, quoting Reference No. 127.

Arthur Young Management Consultants,  
Commercial Union House, Albert Square,  
Manchester M2 6LP.

### ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single  
column centimetre  
(Plus V.A.T.)

## Senior Accountant

c. £20,000 + car

assessment, problem solving and corporate tax planning. Well developed interpersonal and communicative skills and proven capacity for multi-project work are vital requirements.

Please reply, in confidence, quoting ref: 6307/L to M.R. Blanckenhagen, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

**PEAT  
MARWICK**

## Finance Director North West to £30,000 + Car

This well established, profitable, expanding, independent company in fast moving consumer products, requires a Chartered Accountant as Finance Director. The company is based in a pleasant location in the North West.

There is full responsibility for managing the finance, accounting, and administrative functions, and for further development of business systems.

Reporting is to the Chief Executive, and the job involves close collaboration with him in the development of business policy and in the profitable expansion of the business. High levels of communication skills verbally and in writing are needed. The ability to build a team, lead a

team, and work in a team is vital.

The appointment requires a self-starting, strong minded, flexible accountant who has good experience of all the key finance and accounting functions and the development of business policy. Strong profit orientation is essential.

The age indicator is 30 to 40 and maturity is fundamental. There is a requirement to live within reasonable reach of the company location.

Please write in confidence, giving concise career and personal details, quoting ref. R125 to Dr A. Brearley, as adviser to the company.

Arthur Young Management Consultants,  
Commercial Union House, Albert Square,  
Manchester M2 6LP.

**Arthur Young Executive Selection**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

### Chartered or Certified?

### JOIN A LEADER IN THE HIGH STREET

From £19,000 + Benefits

**Sowerby's Selection**

One of the U.K.'s most renowned and successful multiple fashion retailing organisations is eager to maintain its impressive rate of growth and development across all areas of the business. This incorporates continuous evaluation of accounting methods, procedures and personnel to meet ever-changing operational requirements.

The Company has just identified the need for an additional SENIOR FINANCIAL ACCOUNTANT. In this capacity, reporting to the Head of the Accounting Department and based at the Company's head office in Central London, you will ultimately control, develop and be responsible for all financial accounting activities.

Thus, you will be able to demonstrate previous involvement in accounting and reporting financial information from within a highly systems-orientated environment, ideally in the multi-site retail or service industry sector. Chartered or Certified, possibly C.M.A. qualified also and aged 30-40 years, you must be conversant with computerised accounting systems, Taxation and V.A.T. procedures.

In addition to a negotiable salary as indicated, other benefits include pension/life assurance scheme, annual bonus, staff discount and the security of working for an established, household name in the High Street.

If you're adaptable, courteous, totally reliable and convinced you match our client's requirements, please ring or preferably write in total confidence to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5FA. Tel: 01-439 6288.

## COMPUTER DEVELOPMENT MANAGER

West Yorkshire c. £20,000 + car

Our client is a progressive leading firm of Chartered Accountants committed to ensuring that it is a leader in the field of information technology.

Continued expansion has created the unique opportunity to head up the Northern Computer Services Group responsible for developing the firm's computer consultancy practice in the North. In addition to advising and assisting clients with the use and purchase of computers, you will have responsibility for the continuing development of in-house computer usage.

Applicants should be qualified accountants (ACA/ACMA/ACCA) who can demonstrate a high degree of technical competence, and a practical working knowledge of micro and mini computers, gained either in the profession or industry. Self-motivation, initiative and drive are essential pre-requisites.

This represents an outstanding career move offering excellent prospects for a committed and ambitious individual.

In the first instance please telephone or write in confidence to Alyn T. Pearce, LL.B., ACA, Associate Director, Daniels Bates Partnership Ltd., quoting ref: 85/1800 FT.

**Daniels  
Bates  
Partnership**

PROFESSIONAL RECRUITMENT

## Internal Auditor

Central London

c. £16,000 + car

The Royal National Institute for the Blind (RNIB) is the largest organisation of its kind in the world employing over 1500 staff at some 40 offices and other establishments throughout the United Kingdom. Expansion and diversification of its activities have led to the introduction of computer-based systems.

In order to maintain a regular review over these systems and the operation of the fund-raising activities it has been decided to appoint an Internal Auditor who will report directly to the Director General and the Chairman. The remuneration package includes contributory pension and life assurance schemes.

This new appointment calls for someone with sound experience of constructive internal auditing, a sensitive personality and commitment towards the aims and objectives of the RNIB. The successful candidate must be able to demonstrate that he or she is creative, adaptable and mature. The preferred age range is 40-45 but older candidates with substantial relevant experience will be considered.

Please write briefly, in confidence, describing how these requirements are met to Cyril Williams at 25 New Street Square, London EC4A 3LN quoting reference F511.

**Clark Whitehill Consultants**

Executive Selection

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Financial Accountant

late 20's/early 30's  
London, c. £20,000, car, substantial benefits

Our client, part of a major British public group, is a significant force within the UK leisure and retail industry with a turnover approaching £100m. Reporting to the Financial Controller, and assisted by a small team, the successful candidate will review, interpret and consolidate the financial and management accounts of operating subsidiaries and provide timely reports on which Senior Management will take decisions. This is seen as a vitally important position and opportunities for career advancement within the Group are excellent. Candidates, ACA/ACCA/ACMA, must have at least 2 years post qualification experience, preferably including consolidations, current cost accounting and staff management. Familiarity with micro computers would be an advantage. Personal qualities must include high potential and a strong and outgoing personality. The benefits include a low contribution pension scheme, a fully expensed car and Private Medical Insurance.

Male or female candidates should submit in confidence a comprehensive C.V. or telephone for a personal history form to A.E. Coxon, Hoggett Bowers plc, 6th Floor, Sutherland House, 5-6 Argyl Street, LONDON, W1V 1AD, 01-408 2766, quoting ref: 127/FT.

**H**  
London Life

*Taxation Manager  
c. £22,500 p.a.  
Bristol.*

London Life, a rapidly expanding company specialising in life assurance and pensions, now has a superb opportunity for an experienced taxation specialist to play a key role in an increasingly competitive environment.

Based at our modern head office near Temple Meads station, you'll be responsible for determining taxation liabilities for the London Life Group of Companies, the computation of all taxation figures for Report & Accounts, the preparation of comprehensive Corporation Tax computations, and negotiation with the Inland Revenue.

On an individual level, you'll have the ability to communicate effectively with specialists from a wide variety of disciplines. Working in an advisory capacity supplying information to maximise tax efficiency in investment dealing, to comply with employee benefit obligations and to keep abreast of major legislative changes.

Previous experience of life assurance company taxation would be valuable. If, in addition, you can offer the qualities of meticulous commitment and integrity, we'll supply you with the scope to actively involve yourself in development planning techniques and tax support services and with excellent company benefits including:-

- Mortgage subsidy scheme
- Relocation assistance
- Pension and medical schemes
- A variety of sports and social facilities

Please write in confidence, enclosing your full curriculum vitae, to Ian Ferguson, Personnel Manager.

*The Personnel Department  
The London Life Association Ltd.  
100 Temple Street  
Bristol BS1 6EA*

London Life is an Equal Opportunities Employer

# Accountancy Appointments

## Group Financial Controller

North West London

This successful private company is continuing its programme of expansion and diversification. They are now seeking to recruit a group financial controller both to maintain tight financial control of the business and its development and also to make a creative contribution to the company's success in the future.

As a key member of the management team, the group financial controller will advise the directors on the financial implications of business decisions and play an important part in the development and implementation of business strategy. The role will include establishing effective management information systems and planning the implementation of an in-house computerised accounts system.

The ideal candidate will be a qualified accountant, in their thirties, with a proven record of success in the areas of financial control and strategic planning. An up-to-date knowledge of taxation and experience of developing a computerised accounts system is essential. Experience of working within a diverse group or in the retail, manufacturing or leisure sectors would be an advantage.

Remuneration: £20,000 plus car. Please reply in confidence to Joanna Corr (ref 3051).

**KMG** Thomson McLintock  
Management Consultants  
70 Finsbury Pavement, London EC2A 1SX

## International Capital Markets

### Chartered Accountant - City

to £20,000 + early review + first class banking benefits

Sumitomo Finance International is the fast growing capital markets subsidiary of The Sumitomo Bank Limited, one of the world's leading banks and a member of the Sumitomo group of companies. A prominent eurobond securities house founded in 1973, it is active in all sectors of the international capital market, providing a broad range of investment banking and corporate financial advisory services. A rare opportunity has arisen for a graduate Chartered Accountant to assume immediate control of the financial accounting and management information function at Assistant Manager level. Reporting to an Executive Director, the role is widely drawn and carries responsibility for a small support staff.



Michael Page Partnership  
International Recruitment Consultants  
London, Windsor, Bristol, Birmingham, Manchester, Leeds, Glasgow, Brussels, New York, Sydney  
A member of the Addison Page PLC group

## GRADUATE CHARTERED ACCOUNTANT CORPORATE FINANCE

### City

Our client, a well-known, prestigious financial institution, is seeking a Graduate Chartered Accountant.

The appointed candidate, who will be a member of a small team, will provide technical support on accounting and related topics. His/her principal activities will include company surveillance, assistance with the financial reconstruction of companies and help in policy formulation on a very wide range of subjects relating to the corporate sector.

Candidates should have about 2 years post-qualification experience, preferably gained within a major accounting practice and have a sound technical knowledge of corporate finance, tax, company law and accountancy. Experience of company investigation would be useful.

Candidates should possess strong analytical and problem-solving abilities. Self-starting initiative and the ability to handle a broad range of tasks under pressure are also essential requirements.

The appointment on a 3-year fixed contract represents a challenging opportunity in a stimulating environment for the exceptional candidate with the necessary personal and technical attributes.

Please apply in confidence with C.V. to:  
Stephen Mawditt,  
Managing Director.

**Senior Management International**  
Executive Search Consultants

**INBUCON**

## Group Accountant

Central London

£17,000 Plus car

Our client has established a prominent international reputation for quality and excellence in the design, manufacture and sale of fashion and furnishing fabrics. It is a profitable quoted group with a substantial turnover and employs 500 people.

Growing demands on the Group Finance Director's time prompts the need for this new appointment at their Head Office. The requirement is for a commercially aware qualified accountant who will handle the Group's consolidated statutory and management accounts and be responsible for the day to day accounting function in the parent company. The role will entail assistance in treasury, secretarial and other central functions, as well as providing advice and support to the subsidiary companies.

Suitable candidates will be qualified accountants in the 28-40 age range, and for the right person there will be promotional opportunities within the Group.

In addition to salary, fringe benefits will include car, pension scheme, health insurance and, where necessary, assistance with relocation.

Please write with full career details quoting reference 4122 to A.G.N. Burden:  
**INBUCON MANAGEMENT CONSULTANTS LIMITED**  
Executive Search and Selection  
Knightsbridge House, 197 Knightsbridge, London SW7 1RN

## ACCOUNTANT

SOPRA UK LTD, a new cocoa-trading subsidiary of a large Swiss coffee and chocolate manufacturer, is starting business on the 1st of January 1986 in the City.

We wish to recruit an accountant (preferably qualified) who will be able to take charge single-handed of the general accounting for all the company's operations including the production of monthly management accounts.

Experience in a similar position would be advantageous and in commodity trading very useful.

Salary is negotiable to £20,000 per annum, according to experience.

Please send a complete curriculum vitae (including daytime telephone number) to:  
Mr Simon Blake  
SOPRA SA  
Kollerstr. 4  
6301 ZUG  
Switzerland

## Deputy Finance Director

**International Consumer Goods**  
Central London  
£30,000 + options

Continued expansion has created the need for a Deputy Finance Director to join the executive management team of this luxury consumer goods group.

Initially, the role will involve working within the finance, accounting and computer departments in order to gain a thorough understanding of an international business which extends from manufacturing through to retailing. It is expected that the

successful candidate will assume the role of Finance Director in due course.

Applicants must be Chartered Accountants, ideally aged in their mid to late thirties. They should be able to demonstrate senior management experience within the finance function of a consumer goods organisation and should have had significant involvement with computers and computerised management

information systems. Candidates should write enclosing a full CV and current salary details, quoting reference MCS/4021 to Gavin Adam, Executive Selection Division, Price Waterhouse Management Consultants, Southwark Towers, 32 London Bridge Street, London SE1 9SY

**Price Waterhouse**

## Group Chief Accountant

**Major Electrical/Electronics Group**  
South West London  
to £31,500

This major electrical/electronics group has worldwide interests and a total workforce in excess of 300,000. With a UK group turnover approaching £170 million, they are now planning their next decade of expansion.

A Group Chief Accountant is now required for their UK headquarters to head up a department of approximately 25 people, providing a total accounting service. In addition to technical accounting expertise, there is also a

requirement for the development of computerised accounting systems to meet user needs and continual liaison with management throughout the UK operating divisions and subsidiaries.

Ideally, candidates will be aged 30-40 and have significant experience in a leading financial role. This should include computerised accounts and group consolidations and will preferably have been gained in industry. Job stability will also be an important criteria.

Benefits include an attractive base salary plus end of year adjustment, non-contributory pension and company car. Please write in confidence, providing a detailed CV and quoting reference MCS/6063 to Alannah Hunt, Executive Selection Division, Price Waterhouse Management Consultants, Southwark Towers, 32 London Bridge Street, London SE1 9SY

**Price Waterhouse**

## Finance Director

Oxfordshire  
c. £25,000 + car

This profitable engineering company is a prominent name in its sector with exports accounting for a substantial share of the £17 million turnover. The principle role will be one of financial strategy and control, together with responsibilities for the secretarial and administration functions, and development of the computer systems. Candidates will ideally be graduate chartered accountants, in their mid 30s to early 40s, and should have worked at management committee level in a manufacturing environment.

**PA**

Please send cv indicating current salary, in confidence, to M.J. Egan, Ref: AA26/9608/FT.

**PA Personnel Services**

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy  
Hyde Park House, 60a Knightsbridge, London SW1X 7LE  
Tel: 01-235 6460 Telex: 27874

## MARMAS

### CONSULTANCY £15-25k+car

Herts

MARMAS is the Management Advisory Services arm of a national practice of Chartered Accountants advising clients throughout the UK. As part of a planned expansion programme we are currently seeking people who can demonstrate experience in any of the following advisory service disciplines: Personnel & Recruitment; Business & Finance; Computer & Data Systems; Management Information.

Enquiries are invited from graduates or professionally qualified people who are already active in the consultancy field or who wish to move into this stimulating environment. Applicants, aged between 25-35, must possess a high level of personal skills.

An attractive remuneration package can be offered combined with good training facilities and excellent opportunities for advancement within the organisation.

If you are interested in consultancy and would like to know more about our approach, please telephone Bob Rabone on 0992 59321 or alternatively write to us enclosing your curriculum vitae and quoting reference S11.

**MOORES  
&  
ROWLAND**  
MOORES & ROWLAND MANAGEMENT ADVISORY SERVICES LIMITED

R. Rabone  
Director,  
MARMAS,  
50 St. Andrew Street,  
Hertford,  
Herts SG14 1JA

## TRAVEL INDUSTRY

### FINANCE DIRECTOR DESIGNATE

A well established company with interests in inclusive tour operating and retail travel agents is now strengthening its management team for the next growth phase. You will continue the development of the management reporting systems and improvement in financial controls with particular emphasis on foreign currency exposure. As a qualified accountant with computer experience you will probably be in your early thirties. Previous experience in travel is considered essential.

Central London

c. £18,000

### MANAGEMENT ACCOUNTANT

Major tour operator poised for significant development has an exciting opportunity for a qualified accountant, reporting to the Finance Director. You will be involved in the planning process and the subsequent monitoring of performance against plan. You will contribute to the development of an IBM based modelling system. Previous experience of pricing studies would be an advantage. Holiday concessions are included in an attractive package.

West London

c. £16,000

Interested applicants should write with a detailed CV to GEOFFREY WILLIAMS at the address below:

**SELECTION & PERSONNEL SERVICES LIMITED**  
Recruitment Consultants  
23-25 Eastcastle Street, London W1N 7PB

# Accountancy Appointments

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Finance Director

A market leader in computer systems

London, c. £50,000, executive benefits

This young and highly successful multi-national plc is a major force in the design and development of computer systems for international corporations engaged in financial services, high technology, defence and manufacturing. The company's objective is market leadership which will be achieved through organic growth and an aggressive acquisition programme. To strengthen its management team the company intends to appoint an exceptional individual who will assume full responsibility for the control and strategic direction of the company's financial affairs with special emphasis on corporate finance, acquisitions, treasury and the financial implications of complex long term contracts. Applicants, aged 40+, must be qualified accountants with proven board-level financial management skills and, above all, an ability to provide incisive commercial guidance to an extremely talented team of professionals. Prospects with this progressive company must be among the best in this fast growing sector of industry.

J.H. Scott, Hoggett Bowers plc, 6th Floor, Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD, 01-734 6852, Ref: 26017/FT.

### Financial Director

Aged early/mid 30's

London, c. £35,000, substantial bonus, car

The company is a major subsidiary of a leading UK retail group which is widely respected for its profit and growth performance and its ability to attract and develop outstanding management talent. The person appointed will assume full responsibility for the subsidiary's finance function, which comprises a large department providing a full planning, control and administrative service. There is also vital involvement in the general management of the company. Candidates must be qualified accountants, preferably graduates, who have gained successful experience at financial controller level within a retail, service or fmnc company employing modern management techniques and demanding the highest level of commitment and self-motivation. Personal qualities must include a first-class intellect, a strong and persuasive personality, well developed skills in team-building and the potential for significant advancement within 1-2 years.

H.W. FitzHugh, Hoggett Bowers plc, 6th Floor, Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD, 01-734 6852, Ref: 20306/FT.

### Finance Director

Photographic Equipment

Essex, c. £25,000, car, profit share, share option

This well established private company is a major manufacturer and supplier of market leading dark room, electronic equipment and accessory photographic products. Subsequent to major reconstruction the company is now poised for further profitable growth. A key individual is now required to assume total responsibility for the financial affairs of the company with special emphasis on tight cost control and the strategic development of the business as a whole. Candidates ideally aged 28-35 should be qualified and already have experience within a cost-sensitive manufacturing environment with a full understanding of computerised accounting systems. Potential prospects and rewards will be excellent for a confident and able individual who can demonstrate leadership qualities.

M. Gould, Hoggett Bowers plc, 6th Floor, Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD, 01-734 6852, Ref: 21025/FT.

### Cost & Management Accountant

East Midlands, c. £18,000, car

Part of a major International organisation, the client is a substantial and profitable engineering contractor undertaking large multi-disciplined turnkey projects worldwide. This key appointment represents a superb opportunity for an accountancy professional to further develop his career. Reporting to the Financial Director, responsibility will involve project appraisal, project cost control, on site assessment, and human resource development. The successful candidate will have the communication skills/personal qualities necessary for working effectively with a wide range of operational and functional management. Applicants, aged 30-45, with ACMA or equivalent, should have a broad and progressive cost and management accountancy background gained in a contracting or engineering/manufacturing background. This appointment will involve significant overseas travel for which there is an appropriate full allocation allowance. Re-location assistance will be available to this attractive area.

J.H. Wright, Hoggett Bowers plc, Albany House, Hurst Street, BIRMINGHAM, B5 4BD, 021-622 2961, Ref: 36452/FT.

### Financial Controller

Process Manufacturing

West Middlesex, to £17,500, car

This long-established company manufactures and sells a wide range of highly-regarded products. The key to successful performance is now control of production costs. Restructuring of the finance function has created an opportunity for a Financial Controller, who will lead the drive towards this objective. Reporting to the Financial Director the person appointed will be responsible for all financial and management accounting, and will supervise an experienced accounts team. The prime task is to develop and install cost controls in the production process, with the aim of moving to an integrated system. Candidates must be qualified accountants, probably ACMA's, who have successfully managed the cost control function in a process manufacturing company. Self assurance, resilience and determination will be required to succeed in this challenging new role.

S.P. Spindler, Hoggett Bowers plc, 36 High Street, Eton, WINDSOR, SL4 6BD, 0753 650851, Ref: 24027/FT.

### Assistant Group Accountant

Graduate ACA

South Yorkshire, c. £13,000, car, relocation

The client is a £300m+ British plc manufacturer, very diverse, successful with international interests and expanding. It prides itself in using "State of the Art" accounting techniques and is highly committed to computer technology. It therefore offers in this position an excellent career opportunity for a 24/28 graduate ACA to develop towards line management via the Group HQ finance function. The position involves consolidation, interpretation, profit and cash forecasting, financial reporting, corporate tax, group tax planning and consultancy projects with subsidiary companies which will involve UK and possibly some overseas travel. The successful candidate will be an excellent accounting technician and probably have had some experience in industry; an exceptional candidate coming straight from the profession with large industrial or engineering company audit experience may also be considered.

P.A. Adderley, Hoggett Bowers plc, 7 Lisbon Square, LEEDS, LS1 4LZ, 0532 448661, Ref: 11673/FT.

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

Up to  
£25,000

## Group Treasurer

for a rapidly and aggressively developing group of companies generating a £45 million turnover in the field of consumer services.

This is a new role which will embrace all group treasury activities, including cash and working capital management as well as the management of group pensions and insurances. There will be close working relationships with line management and every opportunity to contribute to business success.

The requirement is for a qualified accountant with a record of success in financial and cash

management within a fast moving commercial environment. Precise industrial background however is less important than well developed management skills and attitudes.

Salary: negotiable to £25,000 plus car and a range of attractive benefits.

Age: late 20's to early 30's.

Please write in complete confidence to Peter Craigie as adviser to the group.

Arthur Young Management Consultants, 17 Abercromby Place, Edinburgh EH3 6LJ.

### Senior Auditor

LONDON BASED up to £21,000

British Gas have a vacancy for a Senior Auditor to work in the Operational Audit Section which together with Computer and Contract Audit forms the Headquarters Audit and Investigation Department.

The section is responsible for the audit of all aspects of British Gas HQ activities including Pension Fund Investments, Research and Development, Financing and Joint Ventures with the major oil companies.

Applicants should have an appropriate professional qualification and should be able to demonstrate suitable experience and knowledge of current developments in internal audit concepts and techniques.

Salary will be in the range £18,500 - £21,000, and benefits are those normally associated with a large progressive organisation.

Please write with full career details, quoting reference F/00369/005, to:

Senior Personnel Officer [HQ Services], British Gas, 59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

an equal opportunities employer

## Financial Controller

Circa £20K + Car

Berkhamsted, Herts

F International is an independent Systems and Software House, with a reputation as a pioneer of flexible ways of working for Computer Professionals.

Reporting to the Managing Director the Financial Controller is responsible for managing the Company's finance and accounting functions. They will also assist in guiding the Company's direction and ensuring the current growth rate is maintained through the continued development and implementation of financial management information systems.

Candidates, Chartered Accountants aged 30+, will combine Management Accountancy with commercial experience. In addition to demonstrating business flair they must have led and motivated a team of at least six people. They must also be first class communicators with a flexible and energetic approach.

Opportunities are excellent as a member of the Executive team.

Please apply with full career/salary history to:

Mrs Pene Mason

F International Limited

Cheam House, Church Lane, Berkhamsted, Hertfordshire, HP4 2HA.

## Accounting for Technology

At IBM UK's headquarters, the continuing growth of the company means that we rely more and more on the efficiency and creativity of our Finance Function. A wide variety of professional opportunities exists for graduates and part-qualified and qualified accountants with good communication skills.

### Systems Development Control

You will be a business graduate or qualified accountant with specialist knowledge of audit and control requirements in computer systems. Your main role will be to ensure that the owners and developers of internal computer systems correctly specify such requirements for all systems development. This will involve you in an important advisory capacity on the design and modification of new and existing systems. Ref: SD/010

### Intercompany Reconciliation Analysts

You will be responsible for ensuring that transactions with related companies are correctly recorded in the balance sheet and profit and loss account. We are looking for someone who is at least part-qualified, who combines a good background in accounting and systems with drive and initiative. Ref: IR/010

### Inventory Accountants

Your tasks will cover every aspect of financial inventory, ranging from balance sheet valuation to gross profit analysis. Using the most up-to-date systems, you will be involved in reserve levels, stock check control and business process analysis for your particular inventory, interfacing with a wide variety of functions. Systems experience would be useful, but training will be provided. You should be a graduate or qualified accountant, with a positive and professional outlook. Ref: IA/010

### Management Accountants

You will be qualified with between 4 and 8 years' experience of management accounting (preferably with large company experience). Drive, initiative and communication skills are especially important in these jobs. You will need to analyse and make recommendations to senior management, gaining a unique overview of the company's activities. Ref: MA/010

All of these positions offer an exceptional opportunity to use accountancy skills in a dynamic, high-technology environment, with highly attractive prospects.

Interested candidates should write with full career details, quoting the appropriate reference number, to Valerie Witten in the Personnel Department at IBM United Kingdom Limited, PO Box 41, North Harbour, Portsmouth, Hants. PO6 3AU.

By Appointment to Her Majesty the Queen and the Commonwealth  
and to the Universities of Cambridge and Oxford  
and to the Royal Automobile Club  
IBM United Kingdom Limited

- 17,000 jobs in over 40 UK locations
- Two manufacturing plants
- An equal opportunity employer
- £1.75 million exports in 1983
- £149 million invested in UK in 1984

IBM

## Group Financial Accountant

Surrey  
c£16,500 + car

Mann & Co plc is one of the largest property services groups in the UK with over 120 branch offices covering residential estate agency, commercial property, surveying, relocation and insurance divisions. Now quoted on the stock exchange, they are poised for further growth and development.

A need has been established for a Group Financial Accountant, reporting to the Finance Director, who will have responsibility for financial and statutory

accounting and for group taxation planning and compliance work. The successful applicant will also need to work closely with the Finance Director in the further development of the group. Ideally you will be under 30, a qualified ACA with experience in corporate tax work. You must also be able to demonstrate the ability, self-confidence and initiative this challenging role requires. Those seeking a first career move from a

major accounting practice will find considerable scope for development and career progression.

Benefits will include an attractive salary, company car, pension and life assurance.

Please send full CV, quoting reference MCS/2001 to Peter Forrester, Price Waterhouse Management Consultants, Thames Court, 1 Victoria Street, Windsor, Berks SL4 1HB

Price Waterhouse

Arthur Young Executive Selection  
A MEMBER OF ARTHUR YOUNG INTERNATIONAL



## SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Thursday November 21 1985



## Allied-Signal to spin off unwanted businesses

BY PAUL TAYLOR IN NEW YORK

ALLIED-SIGNAL, the US industrial conglomerate, yesterday announced a major three-part reorganisation involving the spin-off to shareholders of a new \$3.1bn-a-year company, substantial job cuts and an internal reorganisation of the group.

The reorganisation, which will make Allied-Signal a more closely-focused and slimmed-down high-technology concern with \$10.8bn in annual sales, follows the \$350m merger of Allied and Signal companies earlier this year.

The move appears designed to put all of the businesses which do not fit into the group's growth strategy into a unit where their future can be independently considered.

At the same time the reorganisation is seen as consolidating control over the group in the hands of Mr Edward Hennessy, chairman of the combined group and architect of the merger.

The new company formed out of

the reorganisation will be led by Mr Michael Dingman, currently Allied-Signal's president. As part of the merger agreement, Mr Dingman had been designated to take over eventually as chief executive of Allied-Signal, but Mr Hennessy said yesterday that this deal had now been "terminated".

Under the terms of the plan, approved by Allied-Signal's board of directors, the group will:

- Spin-off about 50 business units - including some large profitable operations like Fisher Scientific and Kellogg Rust - into a new and as-yet unnamed company in which Allied-Signal will retain a 39 per cent equity stake, with the remaining 70 per cent distributed to existing shareholders.
- Embark upon a group-wide cost reduction programme aimed at saving \$250m a year and resulting in the loss of 3,000 jobs, or about 2 per cent of the 165,000-strong workforce. Mr Hennessy said the action would result in an unspecified

fourth-quarter charge against earnings.

Restructure itself around three main business areas: aerospace, electronics, automotive and advanced materials/chemicals. After the reorganisation, Allied-Signal will have assets of \$11bn and about 140,000 employees.

Explaining the spin-off strategy,

Mr Hennessy said: "These are all businesses we want to divest because they don't fit with our growth strategy. By doing it this way we expect to increase the total value for our shareholders and enhance Allied-Signal's growth potential."

It is likely that the new company - which is only expected to break even next year and will not pay normal dividends - will sell off many of its assets. However, Mr Dingman said that he would take "one or more of the strongest companies we are getting - like Fisher or Kellogg - and build a powerful new company around it."

## De Havilland sale decision expected soon

By Bernard Simon in Toronto

THE CANADIAN Government has received three formal offers to buy state-owned De Havilland Aircraft, but none so far for Canadian, the Montreal-based manufacturer of business jets, water bombers and surveillance drones.

An official involved in talks on selling the two companies said the Government expected to announce the successful bidder for De Havilland within the next few weeks. If no bids were received for Canadian or if the bids were unacceptable, Ottawa might cancel plans to privatise the company.

A number of prospective buyers for Canadian have surfaced in the past few weeks after the Government considered withdrawing the company from the market by appointing a new permanent chief executive.

Canadian's president, Mr Gil Bennett, occupies the position temporarily pending privatisation.

The three bidders for De Havilland are Boeing, the US aircraft manufacturer, a consortium including the Dutch aircraft maker Fokker and Canadian interests, and the West German industrialist Mr Justice Dornier. Boeing is widely regarded as the frontrunner.

Four groups have expressed interest in Canadian. They include Mr Dornier, a consortium headed by the Belsberg family's First City Group of Vancouver, and two Canadian aviation companies, Fleet Aerospace and Halifax-based IMP.

Boeing said it is having "very preliminary and limited discussions" with Fairchild Industries about a possible bid for Fairchild's Republic Aircraft division, AP-DJ reports from Seattle.

## Court clears 'poison pill' takeover defence

BY TERRY DODSWORTH IN NEW YORK

TAKOVER defences which involve the issue of special stock known as "poison pills" are likely to be used with increasing frequency in the US following a decision of the Delaware supreme court.

In a ruling keenly awaited on Wall Street, the appeals court upheld a lower court judgment supporting the creation of a poison pill.

A dissident shareholder at Household, whose position was supported by the Securities and Exchange Commission, argued that the poison pill would take away shareholders' rights to receive a bid for the company. Household, on the other hand, argued that the defence was primarily aimed at giving the company more control over the bidding process, rather than to stop takeovers altogether.

## Blohm und Voss to buy Salzgitter subsidiary

BY RUPERT CORNWELL IN BONN

BLOHM UND VOSS, West Germany's second-largest shipbuilding yard, is poised to buy the ship-repair and machine-tool division of the Howaldtswerke-Deutsche Werft (HDW).

Plans for the deal, which signifies further rationalisation in the country's shipbuilding industry, were disclosed by the works committee at the Hamburg subsidiary of HDW, where the ship-repair business of the largest West German yard was concentrated in 1983.

Assuming swift approval by the supervisory boards of both companies, the takeover should become effective at the start of 1986.

HDW's Hamburg operations have

an annual turnover of DM 230m (\$88.8m). They will now, according to the works committee, be grouped into a single company, with a capital of DM 30m, for which Blohm und Voss is expected to pay around DM 5m.

HDW and Blohm und Voss are subsidiaries of larger groups. HDW is 75 per cent-owned by the steel concern Salzgitter, itself controlled by the state, while Blohm und Voss is a member of the Thyssen group, which holds a 57.5 per cent stake in its capital.

For 1984 Blohm und Voss reported a small net profit of DM 5.5m and total turnover of DM 12.8m.

## Australia backs Comalco \$180m deal

THE FIRST floating-rate note to carry a guarantee from the Australian Government was launched in the Eurodollar bond market yesterday, writes Maggie Urry in London.

The \$180m deal for Comalco, the Australian aluminium company majority-owned by CRA, is also the 10th deal to be led by Credit Suisse First Boston this year. This is the highest total scored by any bookrunner in a year, and underlines the growth of the Eurobond market.

The issue is part of a \$400m financing, arranged by CSFB and Morgan Guaranty, with the other \$300m a global note facility. The funder is guaranteed by the Australian Industry Development Corporation, which is in turn guaranteed by the Commonwealth Government.

The eight-year floater pays interest at the three-month Libor, with a term of 33 basis points. The terms looked attractive for this

and top-class name, and the bonds were trading around 99.43, just outside the selling concession.

Another floater was launched by Merrill Lynch for Santa Barbara Savings and Loan Association raising \$250m. The bonds are collateralised by US Government agency paper and mortgages, giving them an AAA rating.

The 10-year issue will pay interest at 4 per cent over three-month Libor and commissions totalled 40 basis points. These collateralised issues have gained wide acceptance in the markets, and the bonds are trading within the fees at around 99.67.

The fixed-rate Eurodollar market weakened slightly yesterday as the enthusiasm in New York proved short-lived. The revised US third-quarter GNP figure was higher than dealers had expected - bad news for the bond market.

In the secondary market, attention centred on Texaco's issues which fell sharply on news of the

ministry officials said this vehicle was chosen partly to avoid overloading the Swiss and German bond markets and partly because Belgium's tax legislation means that public bond issues have to be launched in registered form with large denominations, which makes them harder to sell.

Separately, Ireland is renegotiating the \$100m credit led by Lloyds Merchant Bank, signed in January last year. The new terms involve a margin of 4 per cent over money market rates for 10 years and a renegotiation fee of 10 basis points.

Belgium's strong balance of payments and liquid domestic bond market means it no longer needs to add to its foreign debt. Earlier this year it prepaid borrowings raised over the expensive US prime rate and refinanced them at lower cost, mostly in the floating rate note market.

Belgium says one striking aspect of the latest operation is that it is a rare, conventional Eurocredit. The

## Mexico sells state hotels

By David Gardner in Mexico City

NACIONAL HOTELERA, Mexico's state-owned hotel chain, has been sold to private investors in the largest single divestiture since President Miguel de la Madrid's Government began to dispose of "non-strategic" state assets and slim down the public sector.

The chain comprises the Presidente hotels, including the flagship Presidents Chapultepec in Mexico City's Chapultepec Park, units in major resorts such as Cancun, Cozumel and Ixtapa, and catering concessions at Mexico City airport and other international airports in the country.

A group of investors led by Mr Carlos Abredor - a former commercial banker until the banks were expropriated in 1982 by Mr de la Madrid's predecessor, Mr Jose Lopez Portillo - and Mr Jeronimo Arango, owner of the Aurrera retail stores chain, the largest in Mexico, paid pesos 27.2m for 60 per cent of the chain. This is worth \$55m at the free market exchange rate used in tourism transactions.

The remaining 40 per cent will temporarily be retained by Fonatur, the state tourism development agency, and then offered to the public, probably through the stock exchange and Bancomer, the largest nationalised bank.

Last year, the Government returned 339 non-bank assets owned by the nationalised banks to the former shareholders in these banks. These included the prestigious Camino Real hotel chain, and a score of stock-broking firms and insurance and leasing companies

## French space group may seek foreign funds

By DAVID MARSH IN PARIS

SOCIETE Européenne de Propulsion (SEP), the French state-backed manufacturer of engines for the Ariane space rocket, is considering calling on foreign investors to subscribe to a capital increase in the first half of next year.

SEP, which is 50 per cent owned by the state aero-engine company Snecma, opened up its capital during the summer by selling part of its equity on the *second marché* or unlisted section of the Paris bourse.

It is considering a capital increase that might total about FF 1.6bn (\$12.6m), to strengthen financial backing for expansion.

SEP's turnover this year will be about FF 2.2bn, against FF 1.8bn in 1984.

Ariane has had the edge over the

US space shuttle in the market for satellite launching. But the failure of Ariane's latest launch in September - when its payload had to be destroyed in mid-air because of a fault - has raised the commercial stakes of its next mission in January.

The capital increase plan aims to boost SEP's total capital resources to FF 300m from FF 200m.

The company's FF 75m nominal equity capital is owned 50 per cent by outside investors, with 50 per cent held by Snecma. The remaining 30 per cent is held by Aérospatiale, French defence and aerospace group, state explosives company SNPE and Air Liquide, the industrial gases group.

## Ericsson sells share of venture to Pirelli

By Alan Friedman in Milan

PIRELLI, Italy's leading tyre and cables group, will acquire 100 per cent control of Pirelli-Ericsson Cables of Australia, the Sydney-based 50-50 joint-venture cables company set up with Sweden's Ericsson group in 1979.

Pirelli, based in Milan, did not disclose the price it was paying to buy out Ericsson's 50 per cent stake in the Australian company. It is understood, however, that the buy-out will be at Pirelli's initiative. The deal will be subject to the approval of the appropriate Australian regulatory authorities.

Pirelli-Ericsson Cables made a 1984 profit of ASI 1.5m (US\$3.5m) on sales last year of ASI 7m. The company has three factories, one of which is located in Adelaide and the other two in New South Wales, at Minto and Dee Why. The Australian business employs 650 people.

The cables business last year accounted for US\$1.5m of Pirelli's total sales. This year it is expected to account for US\$3.5m of group aggregated turnover.

## Montedison in software venture

By Our Milan Correspondent

META, a subsidiary of Italy's state-owned telecommunications holding group, will join forces with the state-controlled Stet telecommunications holding group to form a new software services company, Televia.

Meta, which already operates in the data transmission field, is to take 49 per cent of Televia. The new company will have an initial capital of L12bn (\$1.14m), to be raised later to L15bn.

Seat, the IRI-Stet subsidiary which produces Italy's yellow pages telephone directories, will have 51 per cent of Televia, which is to be chaired by Mr Simone Fubini, former director-general of Olivetti.

Under the reorganisation, Central's so-called permanent committee, made up of board members, is converted into a nine-man executive committee with a reinforced role, headed by Mr Alfonso Escamez, the chairman.

At the same time, the number of non-board directors-general is reduced from seven to four.

## Boardroom shuffle at Banco Central

By DAVID WHITE IN MADRID

BANCO CENTRAL, Spain's leading bank in terms of customer deposits, has appointed a new managing director and reorganised its top management structure following indications of Bank of Spain concern over certain weaknesses in the group.

The new overall boss, 52-year-old Mr Epifanio Rikkiejo, who has been moved from a subsidiary, Banco de Valencia, an affiliate, earlier this year, after it ran into difficulties, Banco de Valencia, which is not part of the consolidated central group, has now joined the confidence of the Bank of Spain.

The management changes follow the assassination by the Basque Eta group of Mr Ricardo Tejero, who was formerly regarded as number two, in February, and the recent re-signations of the bank's vice-president Mr Alfonso Fierro and his brother Mr Ignacio Fierro, a board member, after problems with their family business interests.

Banco Central had to pump extra capital into Banco de Valencia, an affiliate, earlier this year, after it ran into difficulties. Banco de Valencia, which is not part of the consolidated central group, has doubled its provisions for insolvencies to Pta 10.90m (\$88m).

Banco Central, which despite its sometimes misleading title is a private-sector commercial bank, has an extensive foreign network and large interests in Latin America.

Last year it increased its net profit to Pta 14.5m from Pta 13.5m and raised its dividend by Pta 10 to Pta 15.

It is rumoured to have come under pressure to restrict its dividend for this year in order to reinforce provisions for group interests.

Under the reorganisation, Central's so-called permanent committee, made up of board members, is converted into a nine-man executive committee with a reinforced role, headed by Mr Alfonso Escamez, the chairman.

At the same time, the number of non-board directors-general is reduced from seven to four.

## Sumitomo Metal Industries, Ltd.

¥20,000,000,000

6 PER CENT. NOTES DUE 1990

ISSUE PRICE 101 PER CENT.

Daiwa Europe Limited

Swiss Bank Corporation International Limited

Sumitomo Finance International

Lloyds Merchant Bank Limited

Banque Nationale de Paris

Chemical Bank International Limited

Crédit Lyonnais

Vienna

Genossenschaftliche Zentralbank AG

Kidder, Peabody International Limited

LICB International Limited

Mitsubishi Trust and Banking Corporation (Europe) S.A.

New Japan Securities Europe Limited

Nippon Credit International (HK) Ltd.

Nippon Credit International (Europe) Ltd.

Nomura International Limited

Wako International (Europe) Ltd.

Yamaichi International (Europe) Limited

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumara (Europe) Limited

Orion Royal Bank Limited

Yamaichi International (Europe) Limited

## NORWAY'S OIL BANK

As Norwegian energy reserves are so substantial, petroleum business is of great importance to the country's economy. Union Bank of Norway has all the experience and expertise of project finance for the North Sea, as well as managing and underwriting syndicated loans and new issues. Contact in Norway Carl Erik Haavaldsen or Tom Fronth-Mathisen.

## NORWAY'S CAPITAL MARKETS BANK

UBN are active as managers and underwriters in Eurobonds in Kroner and other currencies, Government Bonds and Viking Bonds - the last of which we originated. Overall our role in the Euromarkets is a vital part of the growing internationalisation of the Norwegian Banking industry. Contact in Norway Per Hagen or Morten Engebretsen.

## NORWAY'S FOREIGN EXCHANGE BANK

We offer a complete range of asset and liability management services. This includes currency options, financial futures and interest rate and currency swaps. We are also the main supplier of foreign currency to the savings banks, a role that has increased both in size and importance as the banks themselves have grown. Contact in Norway Geir Bergvoll or Bjørn Kaaber.

## NORWAY'S INVESTORS BANK

The Norwegian Stock Market has outperformed most stockmarkets over the last few years. UBN has one of the biggest stock exchange departments in Norway and is well equipped to take care of your equity transactions. We also have a leading position in domestic bond issues and secondary market trading in bonds. Contact in Norway Knut Ørbeck or Stein Jodal.

## NORWAY'S NEW BANK

Union Bank of Norway was created on 14th October by a merger between Sparebanken Oslo Akershus and Union Bank of Norway Ltd. (Fellesbanken A/S). We are one of the "big four" in Norway with total assets of U.S. \$4.0 billion. The new bank will also be the central bank to the more than 200 savings banks in Norway with a unique network of more than 1,300 outlets all over the country.

London: Senior Representative Malcolm Stuart Allen. Tel: 01-248 0462. ■ New York: Representative Arthur L. Reisch. Tel: (212) 986-0614. ■ Luxembourg: (Subsidiary) Managing Director Øyvind Parnemann. Tel: 4768731. ■ Copenhagen: Representative Ole Mølgaard. Tel: 451-11 27 33. ■ Helsinki: Representative Fred Sundwall. Tel: 3580-1725239. ■ Stockholm: Representative Hans Wenehult. Tel: 468-7901379.

Head Office: Kirkegaten 14-18, Oslo, P.O. Box 1172 Sentrum, 0107 Oslo 1. Tel: (472) 31 90 50. Telex 19470 UBN BK. Domestic name: Sparebanken ABC.

# Union Bank of Norway

## INTL. COMPANIES & FINANCE

### Pan-Electric future in the balance

BY CHRIS SHERWELL IN SINGAPORE

THE FUTURE of Pan-Electric Industries, one of Singapore's most controversial quoted companies, hangs in the balance last night after it failed to meet a \$47.5m (US\$33.55m) debt repayment.

The company has debts totalling at least \$100m. A total of 50 creditor banks held meetings in the island yesterday following the suspension on Tuesday of share trading in Pan-Electric and two other related companies, Growth Industrial Holdings (GIH) and Sigma.

The banks appointed the accountants Price Waterhouse to conduct an emergency analysis of Pan-Electric's cash flow problems and set up a committee to monitor the positions.

Although Pan-Electric started out as a refrigerator manufacturer, it diversified later into marine salvage, hotels, and property development. In 1984 it showed a 76 per cent rise in after-tax profits to \$21.7m, thanks chiefly to its marine division but it slithered dramatically into loss in the first half of this year.

Revelations of the company's latest difficulties has coincided embarrassingly with the emergence of Mr Tan Koon Seng, who has a controlling stake in Sigma, as the prospective leader of the Malaysian Chinese Association, the main Chinese political party in Malaysia.

But bankers doubt that there is a political motive behind this week's crisis.

Sigma acquired its 22.6 per cent stake in Pan-Electric earlier this year, and Mr Tan has had no management role in the company. GIH holds 31.6 per cent, and is in turn 13.5 per cent owned by members of the Lee family and 13.5 per cent owned by Pen-Malaysian Singapore Holdings, which is controlled through ARIU in Malaysia by Datuk Khoo Kay Peng, an entrepreneur.

While Pan-Electric's troubles are believed to stem from a genuine slowdown of business and a slow internal response to its financial troubles, most bankers and brokers pin the blame of Mr Peter Tham, who left Singapore earlier this year.

At the time of his suspension, the company's shares stood at \$1.46, far below their 1985 high of \$3.38. The shares have regularly been among the most actively traded in Singapore, and was a darling of the speculators on more than one occasion.

At one point in August 1984, the stock exchange declared the shares "designated securities" and announced an investigation into alleged insider trading after they rose from \$1.95 to \$3.30 within a month. After outspoken exchanges, the authorities decided to lift the designation two weeks later.

On the Singapore Stock Exchange yesterday, the Straits Times Index of 30 industrial companies fell 11.08 points to 747.85, which compares with a 30-month low of 717 in July. Mr Tan's flagship company, Grand United Holdings, fell for the second day running to \$1.32 from \$1.51 on Monday.

free of problems. So many interests are at stake, however, that all efforts will be made to prevent Pan-Electric's collapse.

At the time of its suspension, the company's shares stood at \$1.46, far below their 1985 high of \$3.38. The shares have regularly been among the most actively traded in Singapore, and was a darling of the speculators on more than one occasion.

At one point in August 1984, the stock exchange declared the shares "designated securities" and announced an investigation into alleged insider trading after they rose from \$1.95 to \$3.30 within a month. After

outspoken exchanges, the authorities decided to lift the designation two weeks later.

On the Singapore Stock Exchange yesterday, the Straits Times Index of 30 industrial companies fell 11.08 points to 747.85, which compares with a 30-month low of 717 in July. Mr Tan's flagship company, Grand United Holdings, fell for the second day running to \$1.32 from \$1.51 on Monday.

### Better than expected earnings from CSR

BY LACHLAN DRUMMOND IN SYDNEY

CSR, the Australian resources sugar and building products group, has topped its July forecast with a 12 per cent rise in net earnings from A\$42.2m to A\$55.1m (US\$37.4m) for the half year to September.

The company warned shareholders at the July annual meeting that earnings for the opening half could be below the 1984 level but said yesterday that stronger sugar prices, continued strength in building products, new coal contracts, and reasonably good coal prices had led to the growth.

CSR also benefited from an A\$125m of initial additional equity from its two-stage rights issue and Mr Bryan Kelman, its chief executive, said: "I think

we can safely say the second half will be as good as the first." Profits for all last year totalled A\$82m.

The company will be gaining more of the benefit from the devaluation of the Australian dollar in the second half as less of its US dollar revenue will be covered by hedging agreements struck at levels above the current exchange rate.

It also will have a full quarter of increased ownership of the Mount Newman iron ore venture, before this stake is then sold to BHP, and will benefit as well from the A\$14m sale of its Thiesse Dampier Mitsui coal interest to BHP on October 31.

Strong domestic demand for building materials, sugar, and

coal is expected to continue and, while some downturn in home building is predicted, construction activity should provide good prospects, CSR said.

The latest profit estimate is some 10 per cent above the A\$125m forecast in July. Net interest charges were steady at A\$30m while depreciation was A\$63m compared with A\$56.5m. Pre-tax profits were 13 per cent higher, at A\$12.4m.

There were also extraordinary profits of A\$2.75m from the sale of assets while for the second half A\$26.5m of extraordinary gains are expected from the Mount Newman and Thiesse deals.

These will all but complete the A\$800m asset disposal programme, undertaken to allow

CRS to repay A\$1.3bn of borrowings in its Delti oil business. However, CSR may offset exchange losses suffered by the Delti borrowings against the extraordinary gains.

In return for paying off the Delti debt, CSR will gain full access to the off-balance-sheet Delti cash loans and profits which until now have been absorbed by interest costs on acquisition and development debt.

Mr Kelman did not quibble with broker forecasts that the move could be worth A\$70m net to CSR in 1986-87.

The interim dividend is unchanged at 9 cents a share with rights issues share ranking for half the payment.

### Packer ends role in newspapers

BY OUR SYDNEY CORRESPONDENT

MR KERRY PACKER, the Australian media magnate, has ended direct involvement in the newspaper industry in a A\$95m (US\$64m) deal which has seen him emerge with a 5 per cent shareholding in the Herald and Weekly Times group which has bought the bulk of his newspaper interests.

The Herald also yesterday reported a disappointing 8 per cent increase in net earnings for its September 1984 issue, a A\$80.5m rights issue, and the acquisition of the British minority interest in its Melbourne television station in an all-share deal that leaves Associated Newspapers of the UK with a 3 per cent stake in the Herald and Viscount Rothermere on its board.

While selling his New South Wales regional newspapers, and a suburban operation—covering 33 newspapers in total—for A\$43.9m and 6.2m Herald shares, Mr Packer's privately-owned Consolidated Press has also sold its half share in a Sydney suburban press operation to its partner, John Fairfax, the Sydney media group, for an undisclosed sum.

Mr Packer retains his magazine interests and his two television stations and will reinvest A\$2.4m into the Herald as his obligation under the rights issue which will fund the cash side of his purchase of his newspapers.

Various Herald group satellites which form a defensive buttress against takeovers will contribute A\$32m.

The Herald yesterday reported a rise in net profits from A\$42.4m to A\$45.7m after equity accounting its share of results from associates.

### ACI International 33% ahead

BY OUR SYDNEY CORRESPONDENT

ACI INTERNATIONAL, the Australian packaging and building materials group, has reported a 33 per cent increase in interim net profits from A\$23.5m to A\$31.2m (US\$21.1m) and a defensive placement of 10 per cent of its capital to raise A\$82.5m.

Despite an A\$1bn capitalisation, ACI has been subject to continuing takeover rumours and the placement of 30m shares in institutions to make it slightly more difficult to raise any saving in tax.

The combined operation will have an annual ore milling rate of some 20m tonnes to produce about 113 tonnes of gold a year with a life prospect running well into the next century.

Anglo American claims that the merger would enhance dividends to shareholders. However, Mr Peter Gush, chairman of the group's gold division, has stressed that the OFS plan, unlike some implemented in earlier years, would not mean it slightly more difficult to

raise any saving in tax.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-

tors say that on a comparable basis sales were up 17 per cent.

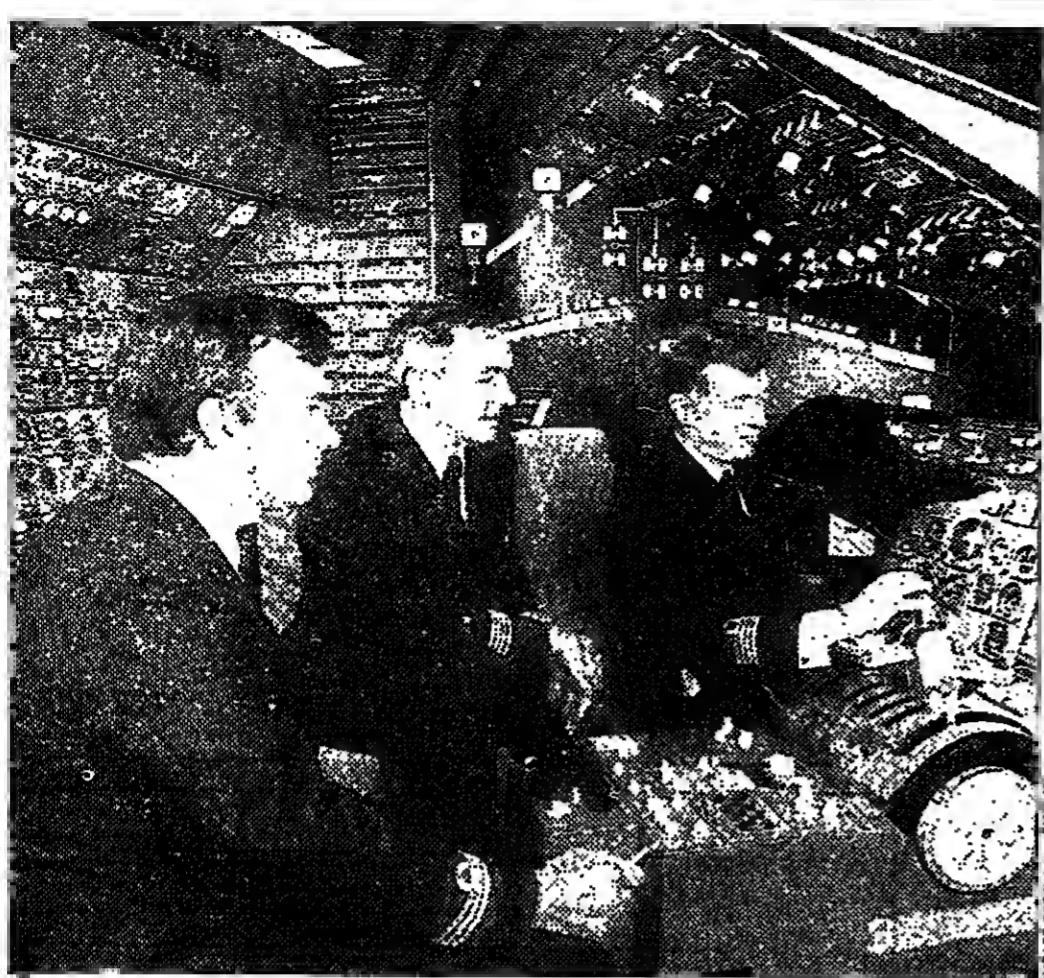
Profits include a A\$4.2m contribution from Harvey to the July sale date, compared with A\$5m previously. The sale of Harvey generated A\$96m in extraordinary profits, although this was reduced to A\$16.8m after writing off goodwill and capitalised costs.

The interim dividend has been increased from 7.5 cents to 6.5 cents a share from profits up 7.5 cents to 10.1 cents.

With this and earlier divestments group turnover fell by 1 per cent to A\$1.07bn in the half year, although the direc-



## INTL. COMPANIES &amp; FINANCE



Air crews from many countries train with visual light displays developed by Sabena.

## Sabena. Savoir faire in the air.

How Sabena air crews get  
their know why with their know how.

To ensure that air crew trainees quickly learn to understand exactly what takes place when they operate aircraft controls, Sabena engineers devised special visual light display panels connected to their cockpit procedure trainer.

So successful has the system proved that the air crews of a number of world airlines are trained with the Sabena designed cockpit trainer and panels. That's savoir faire.

Sabena savoir faire has also gone to create

their new Business Class. Enjoy the undivided attention of a special cabin staff, an extra wide range of reading matter, Sabena's superior cuisine served on special tableware and complimentary champagne, cocktails, wines and liqueurs served in real glasses.

At most major airports you'll also find a special quick check-in and Business Class lounge. Your travel agent or Sabena office has all the details about Sabena's worldwide network.

Make sure you're booked aboard

**SABENA**  
BELGIAN WORLD AIRLINES

WHILE Union Bank of Finland is expanding at home with the takeover of Bank of Helsinki, its chief rival Kansallis-Osake-Pankki has been restructuring and extending its overseas operations in response to increasing activity abroad by Finnish companies.

Earlier this month, in its most ambitious move so far, Kansallis became the first Finnish bank to open a full branch in New York. In 1984 the US became Finland's fifth biggest export market, and Dr Jaakko Lassila, Kansallis' chief general manager, said recently that the US had become a growing attraction for Finnish companies in recent years.

In effect the bank is re-establishing its presence overseas after the recent dissolution of various consortium arrangements with Scandinavian

## Olli Virtanen on Union Bank of Finland's takeover of BoH Small revolution hits Finnish banks

IN THE STAGID and uneventful world of Finnish banking the recent takeover battle for Bank of Helsinki amounted to a small revolution. It turned Union Bank of Finland, the winner of the contest, into the country's undisputed number one bank. At the same time, it caused tremors in the stock exchange, whose newly established code of ethics was stretched to its limits.

The process—while making few winners and a host of losers—was a showcase of misjudgment, incompetence and shady deals.

The takeover battle was sparked off when Skopbank, the savings bank group, announced that it had secured 11 per cent of the BoH equity and offered to buy all available shares of FM 66—a FM 13 premium over the price on the Stock Exchange.

After a week of fierce fighting for BoH shares, Skopbank decided to withdraw and sold its 22 per cent holding to UBF, which was left as the majority shareholder.

Although Skopbank made some FM 60m (\$10.7m) in the process, it has been perceived as the loser. Its bid was based on a relatively small holding and thus bound to attract other competitors, still seems strange. By way of explanation the savings bank group says it wanted to offer small shareholders the same price that it had just paid

to an estate for a 5 per cent holding.

For UBF, and particularly for Mr Mika Tirola, its chairman, the takeover was a triumph. He was attending a meeting in Switzerland when Skopbank made its announcement, but took only 20 minutes to decide to buy BoH. After that decision on the afternoon of October 23, there was no way he could have lost the battle. On October 31—his 63rd birthday—he announced that UBF controlled over 50 per cent of BoH.

Mr Tirola says that UBF did not want to see BoH slide out of the group of commercial banks. UBF had previously offered the smaller bank a co-operation deal. The offer had been turned down, mainly because BoH considered it would have lost its independence.

The Skopbank bid was widely seen in the Finnish financial world as an unusually bold move although Skopbank says it wanted only to create a "co-operation agreement" with BoH.

BoH was not in the soundest of health. It has a tradition of bad loans and last autumn it lost FM 49m in dollar futures dealings. In order to cover the loss, BoH's price fund sold 5 per cent of the bank's equity.

Mr Anders Wall, the Swedish financier through Savory Millin, the London-based brokerage firm, it was this move in BoH shares that prompted the Skop-

bank bid.

Nevertheless BoH was well worth the purchase price.

UBF has paid about FM 350m for just over 50 per cent of the equity. BoH's headquarters building in the centre of Helsinki is valued alone at close to that figure.

UBF may have to face a leaner bottom line at stock exchange trading time at the end of the year. A new FM 150m share issue is targeted at minority shareholders. UBF will burden it with heavier dividend payments. UBF is offering four A shares for one BoH share, valuing BoH shares at approximately FM 68—well below the prices paid at the height of the contest.

UBF will gain much of BoH's clientele. BoH had few important corporate customers.

The only large company is Partek, a building materials manufacturer with a turnover of FM 2.5bn, which may now move over to Kansallis-Osake-Pankki, UBF's keen rival. On the other hand, BoH was stuck with Pihlaja, a large swampland burdened with massive debts.

UBF will not, however, take on the board of BoH.

Mr Tirola hinted as much recently when he said that all BoH employees could continue with UBF, but added pointedly that "we already have a chief executive and a managing director and they have no intention of stepping down." At the same time Mr Tirola openly

criticised the BoH directors for "incompetence and inefficiency."

Helsinki Stock Exchange will also have to spend some time at the mirror. During the bare week that the battle was fought, huge bundles of BoH shares changed hands outside exchange trading hours. And the more you owned, the better the price you got.

The deal that clinched the victory, the sale of Skopbank's 20 per cent holding in BoH to UBF, was struck in the dead of night. When trading in BoH shares resumed, the volume increased from the presumed level of FM 112 to FM 66, the Skopbank offer price. Small shareholders were given no opportunity to know the peak value their shares reached—still less to take advantage of it.

The Stock Exchange also failed to follow its own rules, under which it should have stopped trading in BoH shares when the price rose by more than 20 per cent on one day.

The takeover appears to have settled the dispute over which

is the biggest bank in Finland. Kansallis-Osake-Pankki had just

about established itself as the

leader, and most statistics, such as group total assets, total

deposits and market capitalisation, showed it leading by a nose. The acquisition will prob

ably put UBF in the lead in all

categories except net profits this year, and possibly in 1986.

## Kansallis looks overseas for expansion

BY ANDREW BAXTER, RECENTLY IN HELSINKI

WHILE Union Bank of Finland is expanding at home with the takeover of Bank of Helsinki, its chief rival Kansallis-Osake-Pankki has been restructuring and extending its overseas operations in response to increasing activity abroad by Finnish companies.

Now, as has happened elsewhere, the partners' individual needs have outgrown, and conflicted with, the consortium concept. "We felt there was sufficient support for setting up a branch of our own," says Dr Lassila.

Dr Lassila believes that a global presence is vital for the bank, not only for assisting Finnish companies abroad but for "capturing a share of the expanding international financial services market." Last year Kansallis took a controlling interest in Nordfinanz-Bank Zurich, opened a merchant bank subsidiary in Singapore, and opened a branch in London.

Growth at the London branch has been faster than expected, and assets total about FM 750m. Finnish or Finnish-related business provides the starting point, but non-Finnish business is also needed if the venture is to be a success.

This is also the case in New York, where the bank hopes to have assets of \$500m-\$500m after a year of operations. About \$60m will come from business carried over from Nordic American, while US business from other units will also be transferred to the branch.

To boost the non-Finnish business at the branch, which will concentrate on corporate banking, Mr Peter Fagernas, the branch manager, hopes to expand the bank's project finance activities, particularly to US clients in industries

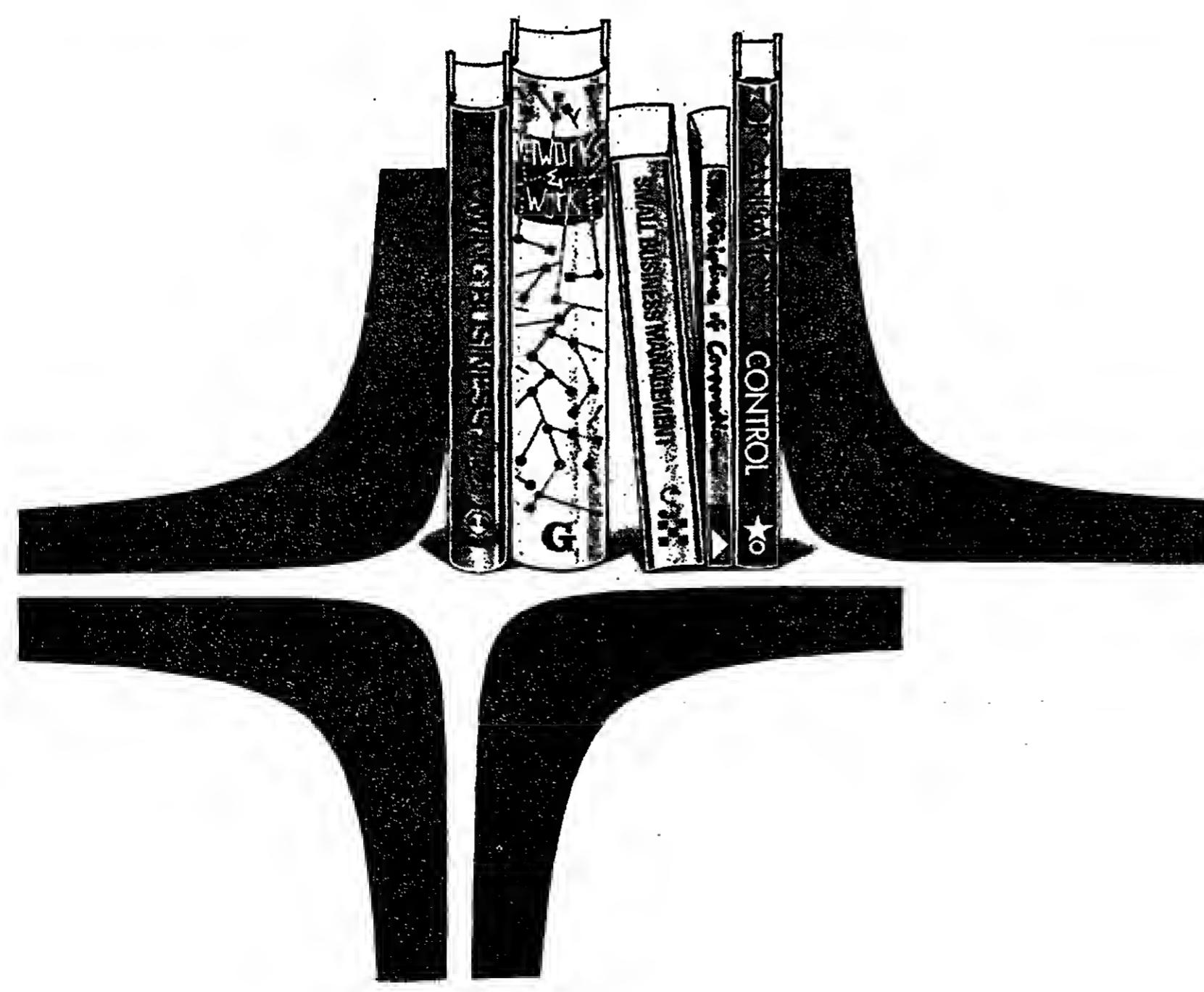
familiar to the Finns—forest products, metallurgy and mining, for example.

Elsewhere overseas, Kansallis is one of 14 foreign banks to have applied to open subsidiaries in Sweden, and hopes to be starting operations there next year as the first foreign banks are allowed in.

The bank's foreign emphasis reflects Finland's position as a trading nation, and the maturity and small size of the domestic banking market. More than half of the bank's assets, which at the end of 1984 were FM 56.4bn, are in foreign currencies, with the bulk of the foreign assets related to Finnish trade and customers.

At the same time, as Finland's biggest bank until UBF's acquisition of Bank of Helsinki, the possibilities for domestic growth are limited.

# The Open University does its homework on a computer. With a degree of help from Sperry.



The same company that makes the computer that passed the Open University's tests makes computers for smaller organisations too.

Sharing the same technology and reliability and the same forty years wealth of experience.

Sperry.

With 77,000 staff worldwide, offering complete advisory and support facilities it's no wonder 18,000 customers including government institutions, major banks, oil companies and smaller businesses have come to rely on us.

From mainframe to PC or, as you grow by degrees, from PC to mainframe.

For further information on how Sperry can help your business, clip the coupon.

Solutions for businesses big and small

**SPERRY**

For further information and the Sperry Information Pack just fill in the coupon, or attach your business card, or telephone Garrick Fraser, Marketing Manager.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

FT

SPERRY LIMITED, INFORMATION SYSTEMS GROUP,  
SPERRY CENTRE, STONEBRIDGE PARK, LONDON NW10 0LS. 01-991 3616.

Financial Times Thursday November 21 1985

# International Appointments

## SENIOR BANKING POSITIONS

Applications are invited from suitably qualified candidates for the following positions in a young dynamic bank in NIGERIA:

- (1) Deputy General Manager
- (2) Senior Manager — Lending Policy and Control Department
- (3) Manager — International Banking Department

### QUALIFICATIONS:

#### (1) Deputy General Manager

Candidates should have a minimum of 15 years' combined banking and business administration experience, 10 years of which must have been spent in very senior multi-functional management positions in commercial and/or merchant banking. Candidates must have strong Europe/USA banking relationships and experience. A relevant honours degree or its professional equivalent is required. A post-graduate qualification is an advantage.

#### (2) Senior Manager — Lending Policy and Control Department

Candidates should have a minimum of 12 years' banking experience, eight years of which must have been in senior lending policy and commitment control functions including the structuring and management of security documents. A relevant honours degree or its professional equivalent is required. A post-graduate qualification is an advantage.

#### (3) Manager — International Banking Department

Candidates should have a minimum of 10 years' banking experience, six of which must have been spent in senior positions involving documentary credits, exchange control, foreign accounts and correspondent banking. Effective international banking relationships and experience are necessary. An honours degree or its professional equivalent is required.

### SALARIES AND BENEFITS:

In line with market competition in Nigeria.

### METHOD OF APPLICATION

Candidates should submit detailed curriculum vitae in quadruplicate. Present position and salary plus four recent passport pictures must be included in an envelope marked

**CONFIDENTIAL**. All applications will be treated in the strictest confidence and should reach the advertiser not later than 21 days from the date of this publication.

The General Manager  
P.M.B. 12826  
Lagos

## EXECUTIVE CHINA TRADE

London Based

My Client is a leading international bank, with a direct presence in over seventy countries. Seeking to maintain and enhance this international presence, they require a senior marketing orientated Executive to take control of their London-China liaison office. With a full range of my client's resources at your disposal, you will be responsible for investigating and establishing new business opportunities between Chinese Authorities and Western companies.

Providing a new dimension of leadership in an increasingly important economic zone requires an enviable financial pedigree, which includes extensive commercial/business dealings with China or Hong Kong.

Mature and with a good presence, your outstanding commercial ability is perfect for this role by your fluency in Mandarin. Dynamic and ambitious, you must be able to communicate effectively with members of Government and senior personnel of multi-national organisations and to travel at short notice.

As a measure of the importance my client attaches to this role you will receive an excellent remuneration package and enjoy a career of genuine challenges and responsibility.

In the first instance forward a full CV to: Michael Dunning,  
Deputy Managing Director, Crawford Halls Harrison Cowley Recruitment  
Limited, 5-7 Forresse Road, Maidenhead, Berkshire SL6 1RP.  
Telephone: 0628 26162

**Crawford Halls  
Harrison Cowley**

RECRUITMENT

SEARCH · RECRUITMENT ADVERTISING · SELECTION

## BANKING/SWITZERLAND

The BANK FOR INTERNATIONAL SETTLEMENTS, an international institution in Basle, is looking for an individual for its Banking Department with the following qualifications:

- 25 to 30 years old;
- Fluent knowledge of English and French;
- University or business school graduate;
- Practical experience with computers;
- Knowledge of financial markets with particular reference to the U.S. domestic market and/or financial innovations.

The individual will be required to help develop the management of the BIS's investments. He or she will be part of a small team and will be recruited on the basis of an initial two-year contract.

The work in the BIS is interesting and the working conditions, with a multi-national staff, are stimulating and pleasant. The bank offers generous remuneration, health insurance and other benefits.

Please send your application, which will be treated in strict confidence, together with detailed curriculum vitae and recent photograph to:

The Personnel Section

BANK FOR INTERNATIONAL SETTLEMENTS  
4002 Basle, Switzerland

## EMPLOYMENT CONDITIONS ABROAD LIMITED

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide.

Anchor House  
15 Britten Street  
London SW3 2TY  
Tel: 01-351 7151

# Finance Director

ff400,000-ff500,000

Northern France

The French subsidiary of a major international group specialising in the production and sale of various industrial components is seeking a new Director of Finance. Reporting directly to the President/Chief Executive and maintaining close links with group finance, you will have overall responsibility for the administrative, financial, accounting and ED/PD affairs of the French company.

This high-level post within a company undergoing a major recovery will appeal to an experienced manager with good qualifications such as ACA in the UK or ESC and DECS in France. Used to working in

both French and English and handling reporting problems, you should have proven and successful experience of administrative and financial management within the French subsidiary of an English-speaking industrial company.

Gross annual remuneration, depending on experience, will be around £400,000-£500,000 plus company car. Intersector career development prospects are envisaged.

**PA**

Please write, in confidence, to J P Rouger,  
quoting Ref: A/R 912/FT.

**PA Conseil en Recrutement**

3 rue des Graviers,  
92224 Neuilly-sur-Seine, Cedex, France.

## SENIOR BANKING APPOINTMENTS

### WITH

### ABU DHABI COMMERCIAL BANK

### ABU DHABI U.A.E.

Abu Dhabi Commercial Bank is the largest capitalised bank in the U.A.E. with a paid up capital of U.S. dollars 340 million. It has a network of 21 branches in the U.A.E., a branch in Bombay and a representative office in London.

Vacancies exist for the following positions at the bank's head office in Abu Dhabi:

Position	Salary range per annum
1. Treasurer	US Dlr 81,600 — 110,400
2. Chief internal auditor	US Dlr 48,000 — 84,000
3. Chief credit officer	US Dlr 48,000 — 84,000
4. Chief dealer	US Dlr 42,000 — 60,000
5. Chief traders—marketable securities	US Dlr 42,000 — 60,000
6. Dealers	US Dlr 30,000 — 54,000

Salaries will be commensurate with qualifications, background and experience.

Further information may be obtained from our representative office at the following address:

Attn: Mr Philip D. Brewer  
Abu Dhabi Commercial Bank—Representative Office  
18th Floor—St. Alphage House  
2 Fore Street  
London EC2Y 5DA

Tel: 588-1620 Telex: 8814627 City SP

بنك أبوظبي التجاري  
Abu Dhabi Commercial Bank

## FX DEALER

We have had a successful presence in Luxembourg for more than 12 years.

Continued expansion has created an opportunity for a No. 2 spot in our dealing room. The person should have the following qualifications:

3 to 5 years of active dealing experience with emphasis on forward trading.

Ability to take over the dealing room in the absence of our chief dealer and help in the training of junior dealers.

The initiative to explore new areas for increased profits.

Fluency in English and some French.

In case you meet above mentioned requirements and are looking for a challenging opportunity please send your c.v. to:

BFG: Luxembourg  
Societe Anonyme  
17, Rue du Fossé  
Luxembourg

## Financial Consultant

Saudi Arabia

to \$40,000 + substantial benefits

... for a major financial institution based in Riyadh, which provides finance for the development of the private sector. The successful candidate will join a professional organisation which is playing a major role in developing the Kingdom's industrial base.

A highly motivated, mature accountant is required to provide assistance to clients in improving management information systems. Principal responsibilities will be to consult with clients in the design and implementation of management information, accounting and control systems for manufacturing operations; to investigate financial performance of projects; and to train and develop staff. Candidates, probably aged 35+, must have a minimum of five years' post qualification experience in public accounting and auditing, and at least five years in management and systems consulting. Specific exposure to micro-computer hardware and software would be advantageous, as would knowledge of Arabic.

In addition to the basic salary paid free of tax in Saudi Arabia, a comprehensive benefits package is offered including performance and end of contract bonuses, generous leave and leave allowances, free accommodation, leased car, children's education allowances, and first class recreational facilities.

Please reply with full curriculum vitae, including current compensation level. This will be forwarded B.G. Woodrow ref. B.2222.

Interviews will be held in London in the second week of January.

HAY-MSL Selection and Advertising Limited,

52 Grosvenor Gardens, London SW1W 0AW.

مختصون باستطاف المترقب

**HAY-MSL**

middle east

## International Capital Markets Executives

Opportunities in Australia

Following the extensive deregulation of the Australian financial system including the float of the Australian dollar, significant opportunities have developed in Australia for Capital Markets Executives.

At Schroders in Australia we have developed a strong track record in our Capital Markets Division in swaps, both interest rate and currency, promotion of Euro borrowing vehicles, currency risk management and advisory services.

If you would like to join our Australian operation then we would like to hear from you.

The Head of the Capital Markets Division will be visiting London in early December. To arrange an interview please send a full curriculum vitae and details of previous experience to:

Mr. John R. Lambert,  
Head of Staff and Administration,  
J. Henry Schroder Wagstaff & Co. Limited,  
120 Cheapside, London EC2V 6DS.

**Schroders**

## UK COMPANY NEWS

## Whitbread tops £65m as growth continues

Whitbread shares yesterday touched a high of 280p for 1985 following the announcement of a new 14 per cent increase in interim profits.

At £65.5m pre-tax, against £57.6m the result is at the top end of City estimates, marks the first report from the big brewers in the current round, and puts Whitbread on course for its 11th consecutive year of profit since the downturn to £21.5m in 1976.

An interim dividend of 2.25p, against 2.05p, is being paid. Whitbread, the UK's third largest brewer, is confident given good Christmas trade, of improving on 1984-85's taxable profit of £10.1m which was accompanied by a higher 4.5p final.

Whitbread shares eventually finished the day unchanged at 271p, valuing the company at just over £1bn.

Whitbread attributes the profit rise to increased shares in the UK beer market, the restaurant trade and in the US drinks market.

It has also been achieved after recent revenue re-investment levels and despite a very dull summer in the UK and substantially higher interest charges of £20.4m, against £13.9m, reflecting last year's acquisitions.

Trading profit margins have improved from just under 10 per cent to just over 11 per cent on turnover, added by 250m to £723.3m.

Profit increases were chalked up by each of the three main divisions, beer, wines and spirits, and retailing. The largest improvement, both in absolute and

percentage terms, was by wines and spirits which contributed £13.4m compared with 27.9m.

Brew, which encompasses brewing and bottling and contributes the lion's share of profits, notched up a 12.3 per cent increase from £38.1m to £42.8m.

Retailing, which takes in managed pubs, shops, restaurants and leisure activities, lifted profits by just over 16 per cent from £29.1m to £34.1m.

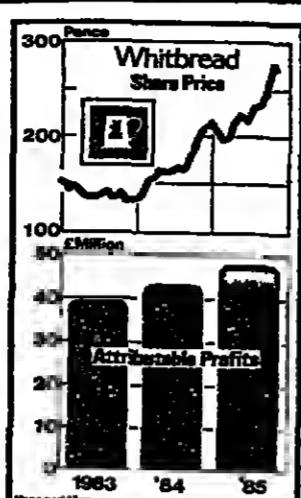
In addition to the improvements above the line, Whitbread also benefited from a £13.3m swing to extraordinary credits of £1.3m which offset higher tax of £1.8m (£14.7m). Earnings per share rose from 11.04p to 11.42p.

Lager accounted for 47 per cent of the beer product mix, sold under the names of Heineken, Stella, Kaliber, Lager and Draught Pils, and succeeded the overall 42 per cent market share for lager estimated for 1985 by the Brewers Society.

The beer side, which also includes Whitbread Best Bitter and the Flowers bitter range, managed to increase volume sales in the face of a 2 per cent fall in the market overall.

Whitbread, chaired by Mr Sam Whitbread, said the performance in the take-home trade was very encouraging and market share increased substantially, while margins in general were maintained.

Record investment was made in tenanted pubs, often in partnership with the licensee, and both volume and profit from



this channel were ahead over the six months to end-August 1985.

Wines and spirits operations—distilling, bottling and wholesale—achieved their profits improvement on turnover ahead by a modest 0.7 per cent to £210.8m.

Much higher profits were returned by Whitbread in North America which increased market share on most key products and included first time results from Cutty Sark whisky.

Calvet remained the brand leader in Japan and again



Whitbread, established in 1742 and the UK's third largest brewer, evokes nostalgia through its dray and dray.

lifted its share of the premium table wine sector. Langbath volumes also improved. Stowall's wine box volumes advanced by 9 per cent and accounted for almost half of the UK's boxed wine market.

Margins in many Scotch whisky markets, however, have become very tight for distillers and the single malts, Laphroaig and Tormore, have been particularly encouraging.

On the retailing side where turnover rose by nearly 9 per cent to £307.3m. Whitbread Inns with its 1,800 managed pubs increased profits despite the poor summer. Renovation of 200 inns so far this year helped the performance.

Of licences improved profitability with benefits from acquisitions and the amalgamation of the various businesses under the Thatchers umbrella.

Pizza Hut is continuing to expand and further progress has been made by Country Club Hotels, Whitbread Coaching Inns and Roast Inns.

See Lex

## Wellcome unveils employees share deal

Wellcome Foundation, the private UK drug group which is to be floated on the stock market next January, is to make 10 per cent of the share offer available for its employees worldwide.

The public offering consists of 25 per cent of the equity, made up of 20 per cent existing equity and 5 per cent new share capital. No prior has yet been put on the issue, but estimated put it at over £200m, valuing the group at towards £1.5bn.

UK employees are to be offered up to £100 of interest-free loans to buy shares, plus a one-for-one bonus issue. Further preference will be given to employees in the flotation itself.

A third scheme has been arranged through Abbey National whereby 1,800 employees of the group will be given up to £100 per month of their salaries over five to seven years. At the end of the period the sum can be used to exercise options at the price prevailing at entry to the scheme, or can be taken as cash.

Similar schemes are proposed for Wellcome's employees overseas. Wellcome said it would take several weeks to work out details to fit local legislation. The group has a worldwide total of 18,000 employees, with around 6,500 based in the UK.

No precise date has yet been fixed for the issue, though Wellcome said it would take place in the last week of January. Advisors to Wellcome are Frost, owners of the company, and the merchant bankers Warburg and Baring Bros, with stockbrokers Rowe & Pitman and Cazenove & Co.

The charitable trust is advised by merchant bankers Robert Fleming and stockbrokers Hoare Govett.

Wellcome's full year figures to August 1985 are due on December 4. The likely price for the January share issue is widely debated.

A valuation for the whole group of at least £1bn seems certain. However, some City observers believe that the figure could be much higher.

Wellcome is seen by a number of institutions as a core holding in pharmaceuticals, and the recent poor performance of Beecham shares could lead to extra demand for Wellcome, among investors keen to restore the weighting of the sector in their portfolios.

## St Ives/R Clay

St Ives, which has made a "white knight" intervention in the bidding for Richard Clay, yesterday bought 760,000 Clay shares, equal to 5.5 per cent of the equity. The agreed bid from St Ives, which held no shares prior to the purchase, is worth £18.8m.

## ARROWS STOCK FINANCING HELPS HIT GROWTH TARGETS WITHOUT AFFECTING YOUR BORROWING LIMITS

## MK Electric profits reduced by lower overseas sales

SIGNIFICANTLY lower overseas sales and profits helped reduce the pre-tax profit of MK Electric Group, electrical accessories manufacturer, to £7.8m in the six months to September 28, from £20m in the comparable period of last year.

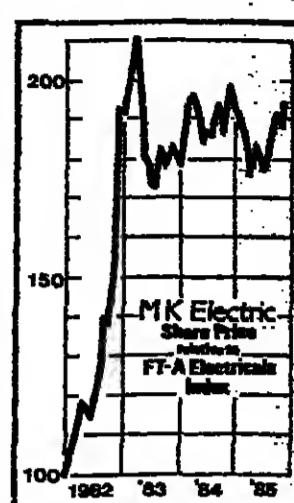
The group says the economic climate in the Middle East and South East Asia, two of its main overseas markets, has been affected by the slowdown in world trade. The disturbances in South Africa contributed to falling confidence and this reduced sales in that market. The results of overseas trading were also affected adversely by the recent sterling.

Domestic sales were similar to those in the first half of last year. Lower demand for traditional products was offset by increased sales of newer ones.

Net group operating costs were reduced to £52.7m from £54.9m last year. There has been further investment in automatic assembly equipment to obtain higher quality and lower unit costs.

The group does not expect a significant improvement in trading conditions in the second half, other than the normal seasonal variation in sales. However, it feels that it will be pleased to benefit from the longer term growth of the group within Satchi.

Satchi said yesterday that the acquisition of Kingsway "adds significantly to [our] international public relations network based on the Rowland Company, one of the top 10 (PR) companies in the US."



Income for about the same amount of earnings from Friedland, if this year's first half results are taken as indicative. In time cost savings should improve the return but not dramatically can be expected. The purchase may even be part of a defensive strategy rather than an expansionist one. With Friedland, MK has also bought in more translation problems for itself. This time adverse movements in the rand and the Hong Kong and Singapore dollars took £17m off turnover. Now the US dollar will also need to be watched. At home the Chancellor's autumn promise of £220m more for local authority building repair and renovation has boosted MK along with the likes of Redlands, RMC and Wolseley-Hughes—with which it is perhaps best compared. But it is unclear when and how much of this will come MK's way. Forecasts for the year have been cut back to £172m, down 15p, on a prospective p/e of 10 given a trifling thanks to unseemly South African losses) tax charge of 42 per cent.

## DIVIDENDS ANNOUNCED

	Current payment	Corre.	Total	of spending for last year	div.	last year
Bardon Holdings	Int 0.9	Jan 3	0.82	2.82		
Bailey & Lamb	Int 1.85		1.85	5		
Gen Stockholders	2		1.4	3.15	3.15	
Harvey Nichols	0.5		0.5	0.5		
James G	Int 0.75		0.5	1.25	1.25	
London & Strathclyde	1.8	Dec 31	1.5	2.85	2.85	
MK Electric	Int 3.4	Jan 8	3.4	10.2		
Ocean Wilsons	Int 0.75		0.75	2.05		
Stockholders Inv Tst	1.7		1.4	2.8	2.85	
Whitbread	Int 2.25	Jan 10	2.05	6.95		
Witan Inv	Int 1.5		1.3	2.75		

Dividends shown in pence per share except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Unquoted stock. §Gross throughout.

## Mountleigh buys property group in £28.4m deal

Mountleigh Group, the Yorkshire-based property development and investment group, is buying R. Hitchins, privately-owned property group, for £23m in loan notes.

Mountleigh also plans to raise £13.2m net of expenses by means of a rights issue in order to maintain a satisfactory balance between equity and debt. This comes 11 months after it raised £7m through a rights issue of convertible loan stock.

The rights issue has been underwritten by Charterhouse Japet Brokers to the issue are Phillips & Drew.

Mountleigh's share price rose 35p yesterday to 585p.

The Hitchins purchase will increase Mountleigh's presence in London and the south of England, though it plans to sell off Hitchins' land bank and sell some of the development properties.

Hitchins achieved a pre-tax profit of £516,839 for 1984 and continued to trade profitably in the current year, according to management accounts.

Net assets were worth £2.22m at December 31 1984, but this figure was arrived at by account for major development and

## Saatchi in £10m expansion

Saatchi & Saatchi, the advertising agency, yesterday said it had bought Kingsway 1985 pre-tax on £2.9m turnover (£2m) for the year ending December 31. It is headed by Miss Anne Dickenson who controls 51 per cent of the equity and could make up to £2m from the deal.

Mr Dickenson said all Kingsway's senior senior management would stay under the Saatchi umbrella and the present client list, which includes the Butter Information Council, Castrol and Rumbelow's carl stores, would remain intact.

This week Saatchi is expected to announce formally a further acquisition—Grandfield Rorke Collins, an advertising and public relations agency, for an initial payment believed to be around £4m. The total purchase price, like Kingsway, will also be given to the future performance of the group within Saatchi.

On the latter point, Sir Lawrie Barratt, chairman of Saatchi, said yesterday that the result of the debt has been maintained. The major reduction in interest costs and our reduced overheads are both assisting in our endeavour to achieve improved profitability."

However, he added: "It would be wrong of me to rule out at this stage the possibility of pursuing legal remedies through the courts."

Barratt's profits to the end of June 1985 slumped to £4.1m compared with £5.6m in 1984 due to over-exposure in the first three buyer market and adverse TV publicity about its timber frame building programme.

On the latter point, Sir Lawrie said yesterday that the result of the debt has been maintained. The major reduction in interest costs and our reduced overheads are both assisting in our endeavour to achieve improved profitability."

He also emphasised the importance of local authorities, we are completely transforming a number of developments and creating exciting communities in the midlands. Some local authority houses will be refurbished for sale, some to rent and some sold on shared ownership in conjunction with housing associations."

## S.F.E. INTERNATIONAL N.V.

### U.S. \$70,000,000 Guaranteed Floating Rate Notes Due 1988

Guaranteed by  
Société Financière Européenne  
—S.F.E. Luxembourg

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 21st November, 1985 to 21st May, 1986 has been fixed at 8% per cent per annum and that the coupon amount payable on coupon No. 9 will be U.S.\$208.97.

## The Sumitomo Bank, Limited Agent Bank

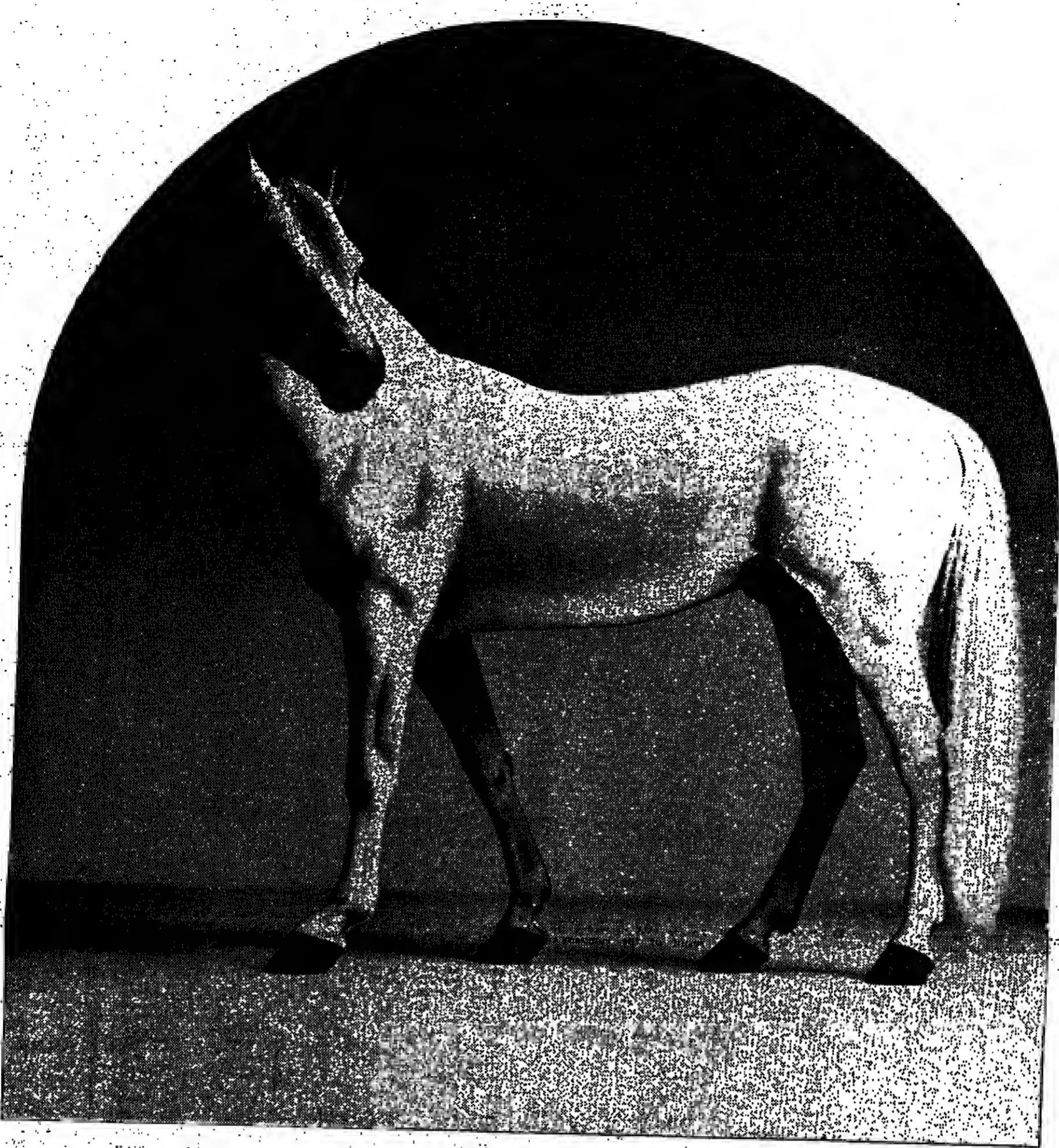
## Bardon Interim Results

Bardon's Group's activities consist of quarrying and associated activities

8 months 30 September in £'000s	1985	1984	Year to 31 March 1985
Sales	17,831	17,393	33,205
Profit before tax	2,300	1,983	4,294
Profit after tax	1,380	1,190	2,459
Dividend net per share	0.90p	0.82p	2.82p
Earnings per share			
—before tax	7.38p	6.36p	13.78p

DISTILLERS

## DISTILLERS



DISTILLERS

## WHEN IT COMES TO PERFORMANCE, WE HAVE THE THOROUGHBREDS.

Well known as it is, White Horse is not the only fine Scotch whisky to carry our colours in the international marketplace.

Others whose lineage is equally noble include Dewar's White Label, Buchanan's Black & White, Haig and, the sprightliest of them all, Johnnie Walker Red Label.

These, and many other unique Scotch whiskies, some specially blended for new markets, make up a stable of brands which, over the years, have earned us an enviable reputation as the largest producers of Scotch whisky in the world.

This reputation, and the ancient traditions which have distilled it, are things we guard fiercely.

Just as in the white spirit market, we remain jealously proud of our achievements with our highly-respected Booth's brand, with Gordon's, the leading quality gin in the world, and Tanqueray, the best-selling imported gin in America.

Indeed, taken as a whole, export sales of all our brands earned us £473 million in 1984/5, much of it benefiting Scotland in the process.

In markets which call for thoroughbreds, this kind of performance is proof enough of the skills of our people, both at home and overseas. And of our ability to breed the right brands for success, both now and in the future.

## DISTILLERS

THE NAME BEHIND THE WORLD'S LEADING BRANDS

The Distillers Company plc, Edinburgh

The Antiquary · John Barr · John Begg · Black & White · Buchanan's · Cardhu Highland Malt · Claymore · Crawford's Special Reserve · Dewar's White Label · Dimple  
 Haig · Johnnie Walker Red Label · Johnnie Walker Black Label · Lagavulin · McCallum's De Luxe · Mackie's · Old Parr · Slater & Scott Grassy Green · Talisker · Usher's Green Stripe · Vat 69 · Ye Monks  
 Booth's · Gordon's · High & Dry · Tanqueray  
 Cossack Vodka · Fine Cognac · Pimm's · Crabbie's Green Ginger Wine

(These are just some of our leading international brands.)

# Attwoods plc

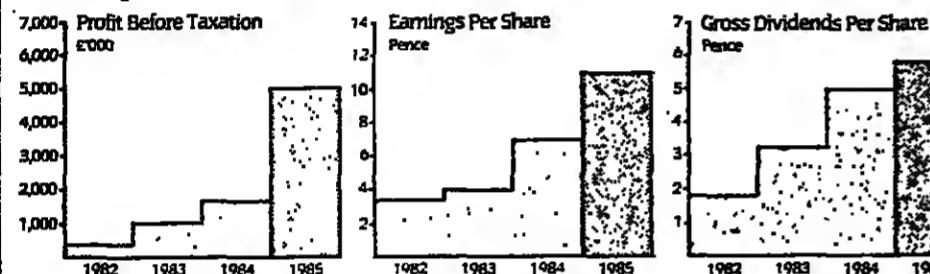
WASTE DISPOSAL SERVICES • QUARRY PRODUCTS • LANDFILL RESTORATION  
Operating Companies

UK  
Drinkwater Sabey Limited

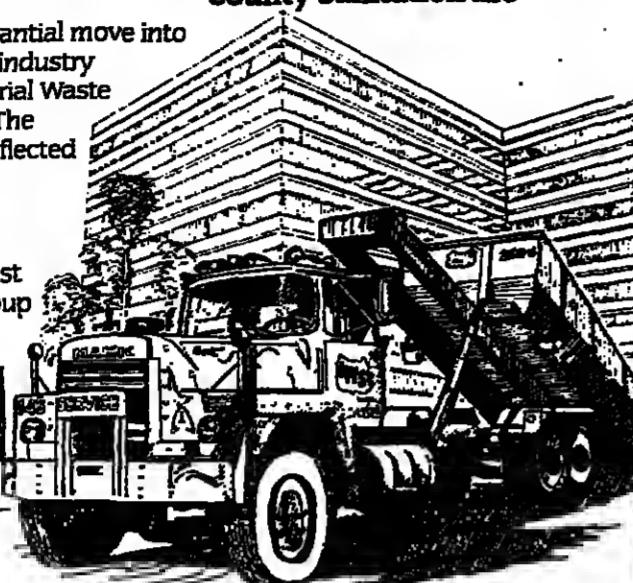
USA  
Industrial Waste Services Inc  
County Sanitation Inc

- Attwoods made a substantial move into the USA waste services industry when it acquired Industrial Waste Services Inc of Florida. The success of this buy is reflected in the results below.
- The purchase of County Sanitation Inc of Palm Beach County last August will greatly increase Group profits in the current financial year.
- Drinkwater Sabey—the UK arm of Attwoods—produced bigger profits and added to its reserves to both sand and aggregates and landfill capacity.
- Sales of £32.2 million produced pre-tax profit of £5 million. Earnings per share jumped 60% to 11.05p per share. The proposed dividend of 4p per share represents a rise of 14.3% over the previous year.

Group statistics



Copies of the Report and Accounts are available from: The Secretary, Attwoods Plc, The Pickeridge, Stoke Common Road, Fulmer, Bucks SL3 6HA.



## UK COMPANY NEWS

### Garners sells prime steak houses to Utd. Biscuits

United Biscuits—the Wimpy, Pizzaland, McVitie and Terry's chocolates food company—yesterday announced it is to acquire the Garners Steak House business from Monsieur Grills for about £7.25 million.

The acquisition, which is expected to be completed by mid-January, will be paid for by the issue of up to 3,467,472 shares of UB. These shares will not rank for the interim dividend payable on January 6.

United Biscuits, which recently announced a big management reorganisation to take effect on January 1, has identified its restaurants business as a major area for development in both the UK and overseas.

Garners, which operates a chain of 15 restaurants, all of

which are based in Central London, will be brought into the newly created UB Restaurants division which incorporates Wimpy and Pizzaland.

Mr Tony Kiesner, managing director of Pizzaland said: "We believe that our property portfolio, such centres as are difficult to get in Central London. It is not our intention to go into the steak house market. We intend to make them into Pizzaland restaurants—perhaps one or two Wimpy units."

Mr Kiesner said the restaurant staff at Garners—who fought out a long dispute for union recognition in 1973—will be retained.

Garners is family-owned. Mr Geoffrey Margolis, a director of Monsieur Grills, said: "We

have a successful property company, Monsieur Grills 1983 Ltd, and we want to develop a new catering image. We want to go into more popular catering at around the £5-a-head level rather than the middle market.

Mr Kiesner said: "Garners' annual costs around £1.5 million.

The market is separating with restaurants either going further up market or providing value for money."

He added: "that the steak market is also having to confront increased consumer interest in fish and chicken."

The pizza and pasta market is one of the fastest-growing areas in the restaurant and fast-food market with current annual growth of about 30 per cent a year.

### Guinness pays £1m for Cranks

By Lisa Wood

THE SUGGESTION that Guinness is good for you took a new twist yesterday with the announcement that the group is to acquire Cranks the health farm and vegetarian restaurant chain for £1m. The consideration is to be met in cash and shares.

Cranks, with its four restaurants and four shops, will join Guinness' Portman Health group which incorporates Champneys, the health farm business, Natures Best, a mail order vitamin and dietary additive company, and Dietary Specialists which supplied similar products to the retail trade.

Guinness, which recently bought Arthur Bell, the Scotch whisky distiller, has identified health and fitness as one of areas it will concentrate upon to achieve sustained growth. Other core businesses in the group are brewing, retailing and publishing.

Cranks was started in 1971 when Mrs Kay Carter, Miss Daphne Swann and the late Mr David Carter opened the first health food vegetarian restaurant in Carnaby Street, London.

Today, apart from its restaurants, shops and bakery it publishes the Cranks Recipe Book. The company employs some 200 people in its labour-intensive business.

Miss Daphne Swann, who is to become managing director of Cranks, said: "The acquisition is wonderful for us. We shall now have some finance behind us so we can expand." Guinness has said it wants to keep our image and it is a great relief that Cranks is to go on."

### S & N has over 26% of Brown

SCOTTISH & NEWCASTLE, which this week launched a final £125m bid for the Blackburn-based independent brewer Matthew Brown, now controls just over 26 per cent of the company. Morgan Grenfell, advising S & N, yesterday reported a steady flow of acceptances of 11.2p & NV 540p per share full cash alternative offer, raising the major brewer's stake in Matthew Brown from 14.97 per cent to 26.2 per cent. Last Tuesday, Morgan itself bought 75,000 (0.3 per cent), acting as principals.

Schroders, acting for Matthew Brown, described the number of acceptances as "surprisingly high".

Matthew Brown, meanwhile, sent out a letter to shareholders saying the board was convinced it could justify rejection of the bid and would set out further defence following S & N's offer document, expected this week.

S & N's offer closed at 17.7p, up 4p on the day, volume 1.16-for-5.50 share offer at 560p per Matthew Brown share. Matthew Brown shares closed at 540p, unchanged on the day.

### Dunton forges link with private building contractor

By RICHARD TOMKINS

DUNTON GROUP, the USM quoted property developer, brick maker and civil engineering contractor, is to pay £400,000 for a 30 per cent stake in Harman (Chesham), a private housebuilder and public works contractor.

It will finance the transaction through the placing of 37m ordinary shares at 17p per share by Scovingsgate, Victoria.

This will raise £629,000, of which

the balance will be used to finance the acquisition costs and provide extra working capital.

Dunton and Harman already have a close working relationship and are involved in three joint building projects in or near Chesham, Buckinghamshire.

Harman was founded as a

builder in 1958 by Mr Anthony Harman, its chairman. It subsequently entered the public works building sector and

has recently built sheltered housing for the elderly on behalf of local authorities and housing associations. However, public spending cuts have reduced the proportion of public sector work to 30 per cent of the total.

The company intends to concentrate on housing and commercial property development, and will also develop residential property.

It is anticipated that this will lead to peaks and troughs of work in hand and profit. The £400,000 cash injection should finance a broader development policy.

Harman forecasts taxable

profits of £227,000 for the year to next March and £321,000 for the year after.

Dunton says it is keen to acquire the whole of Harman's share capital but that its existing shareholders want to retain a majority interest to benefit from its envisaged growth. The agreement, however, provides Dunton with an option over the remaining share capital between three and eight years from now.

Dunton made pre-tax profits of £231,211 in the year to last May against £21,026 the year before on turnover up from £1.3m to £1.7m.

### COMPANY NEWS IN BRIEF

BOWATER, the UK's biggest paper producer, has boosted its building products group with the acquisition of APD Insulations Group, a private Cheltenham-based supplier of replacement windows for £5.4m. APD is projected to achieve turnover of £12m and pre-tax profits of over £1m this year. It operates in a similar market to Bowater's business but will initially remain independent, with existing management.

JAMES NEILL HOLDINGS, the hand tool manufacturer which is bidding £12m for Spear & Jackson, won acceptance from the bidders of 1.61 per cent by Tuesday morning, says the company.

James Neill, chairman, says

acceptances from the

holders of 0.13 per cent of Spear & Jackson's preference equity.

It has extended its offer until December 3. Neill's share fell 1p yesterday to 157p, while Spear's rose 2p to 242p.

WARNFORD INVESTMENTS is paying an interim dividend of 7p for the half year ended June 24 1985 from earnings per share from 11.07p to 14.58p.

Gross rents and service charges

amounted to £3.01m (£2.59m)

while after tax of £955,429 (£864,551) net revenue came in

from £1.06m to £1.07m.

HILL THOMSON, subsidiary of Scovingsgate, lifted pre-tax

profits to £573,000 for the

six months ended July 31 1985,

compared with £483,000, on a

turnover of £5m (£4.85m) while

excludes duty. After tax of

£204,000 (£160,000) earnings per share are given as 7.4p, against 7.0p.

WITAN INVESTMENT net asset

value, taking prior charges at

par and assuming full subscrip-

tion from outstanding warrants,

increased to 208.6p as at October 31 1985, compared with 179.5p a

year earlier, earnings per share 6.8p (6.25p). The interim dividend is 1.5p (1.3p) while after tax of £1.71m (£1.55m) earnings are shown as 2.06p (1.82p).

Yearling bonds totalling

£4.25m at 11.50 per cent

were issued by the following

local authorities: Cheltenham

Borough Council 50.5m; Cheltenham

District Council 50.5m; South

Oxfordshire District Council

52.5m; Birmingham (City of)

District Council 52m; Dundee

(City of) District Council 51m.

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

### The Bristol Waterworks Company

(Incorporated in England)

Placing of £4,000,000

11.20 per cent. Redeemable Debenture Stock, 2005/08 at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List. The Stock will rank for interest *par passu* with the existing Debenture Stocks and Mortgages of the Company.

Particulars of the Stock have been circulated in the Exel Statistical Services Ltd, and copies will be available for collection only, during usual business hours until 22nd November 1985 from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours up to and including 6th December 1985, from

Seymour, Pierce & Co.,

10 Old Jewry,

London, EC2R 8EA

and

Hoare Govett Limited,

Heron House,

319/325, High Holborn, London WC1V 7PB

or from the Company's principal office,

Bridgwater Road,

Bristol BS9 7AU.

21st November 1985

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

### East Anglian Water Company

(Incorporated in England)

Placing of £3,000,000

11.50 per cent. Redeemable Debenture Stock, 1985/97 at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List. The Stock will rank for interest *par passu* with the existing Debenture Stocks of the Company.

Particulars of the Stock have been circulated in the Exel Statistical Services Ltd, and copies will be available for collection only, during usual business hours until 22nd November 1985 from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours up to and including 6th December 1985, from

Seymour, Pierce & Co.,

10 Old Jewry,

London, EC2R 8EA

or from the Company's principal office,

163 High Street,

Lowestoft NR32 1HT.

21st November 1985

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

### ESSEX WATER COMPANY

(Incorporated in England)

Placing of £3,500,000

11.50 per cent. Redeemable Debenture Stock, 1985/97 at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stocks to be admitted to the Official List. The Stocks will rank for interest *par passu* with the existing Debenture Stocks and Mortgages of the Company.

In accordance with the requirements of the Council of The Stock Exchange, 12.50 per cent. Redeemable Debenture Stock, 1985/97 and £350,000 of the 11.20 per cent. Redeemable Debenture Stock, 2005/08 is available in the Market on the date of publication of this Advertisement.

Financial Times Thursday November 21 1985



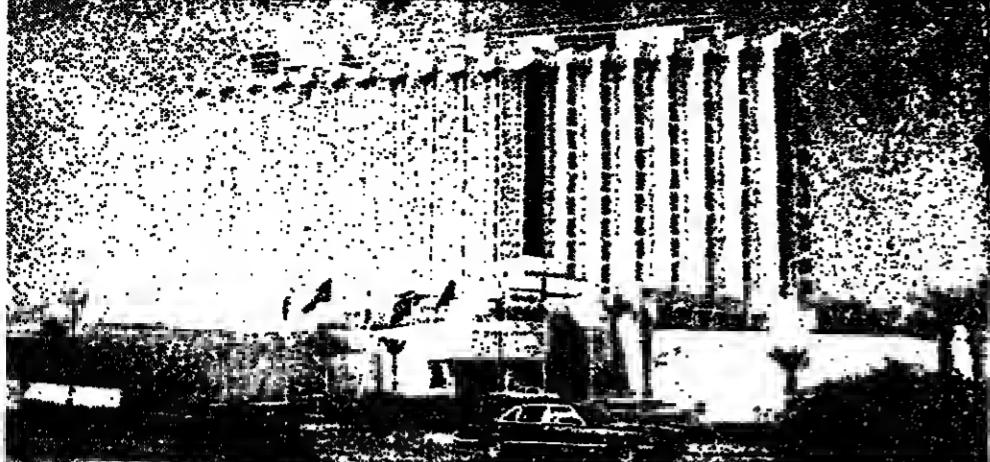
Another  
high flying year  
from  
Britannia Arrow.  
Reject the offer.

**Britannia Arrow**

Fly away, Guinness Peat.

THIS ADVERTISEMENT IS PUBLISHED BY LAZARD BROTHERS & CO. LIMITED ON BEHALF OF BRITANNIA ARROW HOLDINGS PLC. THE DIRECTORS OF BRITANNIA ARROW HOLDINGS PLC ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS ADVERTISEMENT. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN THIS ADVERTISEMENT IS IN ACCORDANCE WITH THE FACTS. THE DIRECTORS OF BRITANNIA ARROW HOLDINGS PLC ACCEPT RESPONSIBILITY ACCORDINGLY.

## COME TO THE GULF

BAHRAIN SHERATON: 306 ROOMS / LOCATED DOWNTOWN NEAR FINANCIAL, BUSINESS AND SHOPPING DISTRICT / MEETING FACILITIES.  
COME TO SHERATON

When you travel to one of the world's most important business centers, you expect the finest in hotel accommodations. Like so many travelers to the Gulf, you choose Sheraton. For key locations near commercial, government and shopping districts. For 24-hour room service, special executive services and the latest conference facilities. For superb dining and entertainment. For refreshing pools and health clubs. Sheraton hospitality and services are valuable resources on successful business trips. When you come to the Gulf, come to Sheraton.

**Sheraton**  
Hotels, Inns & Resorts Worldwide  
The hospitality people of ITT  
For reservations and information,  
call TOLL-FREE  
0800-35.35.35

ABU DHABI, U.A.E., ABU DHABI SHERATON  
DOHA, QATAR, DOHA SHERATON HOTEL  
DUBAI, U.A.E., DUBAI SHERATON HOTEL  
KUWAIT CITY, KUWAIT, KUWAIT SHERATON HOTEL  
MANAMA, BAHRAIN, BAHRAIN SHERATON  
RIYADH, SAUDI ARABIA, ATTALEH SHERATON

© 1985 The Sheraton Corporation

A profile of the typical reader of  
THE BANKER

The typical reader of THE BANKER is a Senior Vice President working for a commercial bank. He has responsibility for international affairs yet, despite his senior executive position, he is only 42 years old. He will have access to a computer, be responsible for selecting or purchasing technology equipment and will be involved in both personnel selection and relocation matters for his bank. As is to be expected, he is a well-travelled executive making about 13 international flights on business each year, normally first or business class, and spending 24 nights in hotels. Chances are that he will have two credit cards and regularly rents cars. For more specific details of the MORI research findings into readers of THE BANKER and the opportunities offered to you for business and profit, please contact:

The Marketing Director  
THE BANKER  
102-108 Clerkenwell Road, London EC1M 5SA  
Tel: 01-251 9321 Telex: 23700

# EVEN WITH OUR HELP, A BUY-OUT MAY INVOLVE THE ODD SACRIFICE.

A management buy-out is challenging, exciting, and potentially extremely rewarding. But we won't pretend it's easy.

The process can be long, complex and delicate. Immediate judgments can have crucial long-term implications.

And, to a greater extent than almost any other business transaction, it will involve a very considerable personal commitment.

If your attitude is realistic, you'll surely appreciate the value of a team of independent, experienced advisers, who can help you raise the finance and act for you throughout the buy-out process and beyond.

This is precisely the nature of the team of specialists in Deloitte Haskins & Sells Corporate Finance Division.

A team which has already helped the directors of many a company to achieve a successful buy-out.

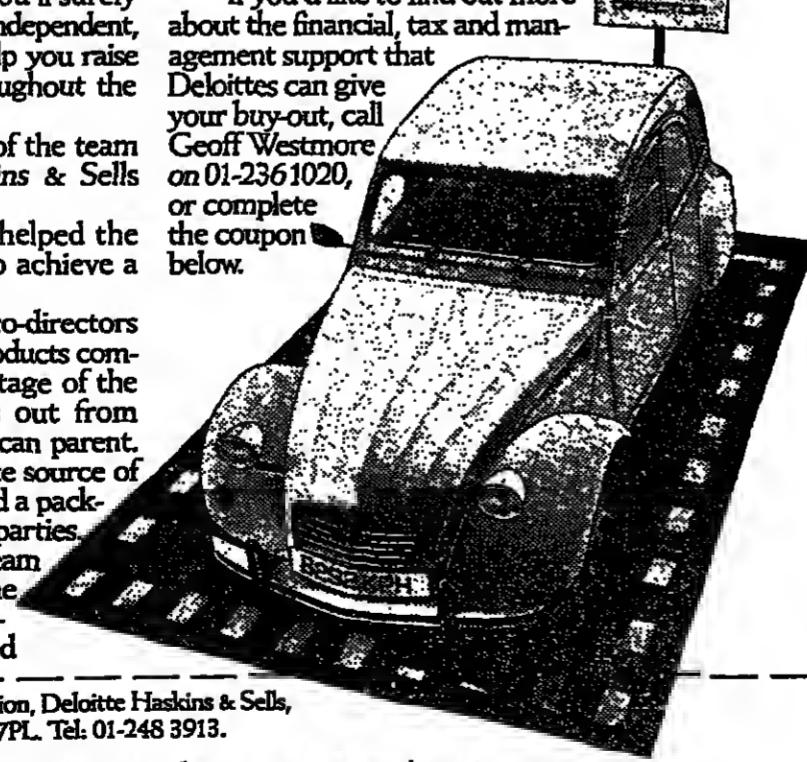
Take John Edwards and his co-directors at Premier-Grip Ltd, the office products company, who wanted to take advantage of the opportunity to buy themselves out from Emhart Corporation, their American parent. Deloittes found an appropriate source of finance and together we structured a package which was acceptable to both parties. We introduced the management team to the solicitors who completed the purchase. We reviewed the corporate plan and projections, and advised

on the corporate tax liabilities to ensure that there would be no unexpected demands on the new company.

We're delighted to say that so far, Premier-Grip has achieved its projections and is moving forward steadily.

And even if the exercise may have called for a little belt-tightening, the signs are that it has been well worth while.

If you'd like to find out more about the financial, tax and management support that Deloittes can give your buy-out, call Geoff Westmore on 01-2361020, or complete the coupon below.



To: Geoff Westmore, Corporate Finance Division, Deloitte Haskins & Sells, Hillgate House, 26 Old Bailey, London EC4M 7PL. Tel: 01-248 3913.

I should like a free consultation with one of your partners to discuss a management buyout.

I should like a copy of your management buyout brochure.

Please let me know of appropriate seminars.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Tel. No. \_\_\_\_\_ Address \_\_\_\_\_

Postcode \_\_\_\_\_

**Deloitte  
Haskins + Sells**  
PROFIT FROM OUR SKILLS

## UK COMPANY NEWS

On the crest of a wave but stormy waters ahead for container group...  
Rivals may launch a boarding party

Mr. Kerry St. Johnston with one of OCL's 20 container ships, the Resolution Bay

IN THE aggressive, no-holds-barred world of liner shipping, Britain's Overseas Container Ltd (OCL) is riding high, with record pre-tax profits of up to £70 million this year.

But two massive marks hang over OCL, a leader on the international container scene, with 20 ships handling over 350,000 containers a year on routes linking Europe, South Africa, the Middle and Far East, Australia and New Zealand.

One concerns its ownership, now in the hands of three very different UK groups, all with extensive non-shipping interests. The basic question is: will P&O, P&O and Oriental Steam Navigation—the major shareholder, try and take full control?

P&O has built up a 13 per cent stake in Ocean Transport and Trading, the second largest OCL shareholder. A further rise above 20 per cent, as Ocean profits can be consolidated as an asset, is expected in the City, as is an eventual 51 per cent.

The other question relates to the steady state of the world industry—planned by growing over-capacity—and thus bears directly on OCL's future profits, up from £14.2m to £55.4m before tax in the financial year to November 30, 1984.

There are no doubts, at OCL and among shipping analysts, that 1985 will see profits fall, possibly to around £45m or less. Freight rates have tumbled as competition on routes between Europe and the Far East has intensified.

Rates have also collapsed on the Pacific, the world's busiest liner (airfreight) service, routes between the US and Japan, and to the US. OCL is not in the US trades, though it has eyed the North Atlantic.

With annual cash flow above £100m, costs down sharply and debt more than halved to around £50m since 1983, OCL is strong financially. Fuel costs have been lowered by economies and new ships will not be needed until the 1990s, though OCL may invest before then.

"The whole posture of what we have been doing has been aimed at getting us into a position to amass a strong cash flow to accelerate de-gearing," said Mr. Kerry St. Johnston, the chairman.

This year's estimated profits of around £70m will reflect the weaker value of sterling in the first half—shipping revenues are mostly in dollars—OCL's own efficiency moves, and the fact that the full impact of higher world fleet capacity has not yet been felt.

But the rates slide, as more ships have entered the market, has had an effect on the industry. The Far Eastern Freight Conference, of which OCL is a leading member, has

been matching the lower rates of the only state of the world industry—planned by growing over-capacity—and thus bears directly on OCL's future profits, up from £14.2m to £55.4m before tax in the financial year to November 30, 1984.

Thus 1985 looks likely to be difficult. "It would be fanciful to think we shall make the same sort of profit in 1985," commented Mr. St. Johnston. "It will not be disastrous, but we must expect less profit."

The cost reductions of the past few years, with UK staff

OCCL. But Sir Jeffrey is known to dislike situations where no party has overall control. He also has to keep his options open. And he is keen on prospects in Asia and the Pacific.

So apart from the status quo, several alternatives are opened up by P&O's stake in Ocean. OCL could be brought wholly within the P&O fold, or given its independence with a stock market flotation, or be taken over and then partly floated off.

"In a perfect world," commented Mr. St. Johnston, "one could see some advantages in being open to public scrutiny." But he noted that the volatile nature of liner shipping could confuse the stock market.

OCCL was formed in 1985 to take over and containerise the liner activities of the four founders. The other was P&O, which had been involved with OCL after being acquired in 1980 by the Tung Group of Hong Kong, now with its own severe debt problems.

"We plucked the liner heart out of the four companies," said Mr. St. Johnston. With its stake in Ocean, P&O now has a direct and indirect stake in OCL of just over 50 per cent.

OCL's strong cash flow would be reflected in P&O's enlarged this year, by the merger with Sterling Guarantee Trust, also headed by Sir Jeffrey. The partners' holdings, originally 25 per cent each, reflect the value of the liner trades they put into OCL.

OCL shareholders have an option to buy the stake of a partner if its ownership changes. Happened with the Furness Withy deal. No partner may control more than half the equity. But these curbs could

presumably be surmounted. have also diversified outside shipping, though less drastically. Thus it remains to be seen if the alternatives in OCL will For all three, OCL has been a major commitment to the financial and industrial interests of the modern shape of cargo liner shipping.

—It has just sold its 22 per cent stake in the Exco financial services company—now has hardly any ships of its own. OCL as the key to P&O's stake The other two shareholders in Ocean.

OCCL'S FIVE YEAR PERFORMANCE ANALYSIS

	1983-84	1982-83	1981-82	1980-81	1979-80
(£m)	(£m)	(£m)	(£m)	(£m)	
Turnover	552.0	516.0	500.0	462.0	360.0
Pre-tax profit	55.2	12.2	2.7	24.1	42.8
Attributed profit	4.79	4.7	2.19	21.9	41.5

\* Loss after tax of £13.5m (£4.8m) an extraordinary charge of £64m (£39m for deferred tax to reflect budget phase-out of first-year tax allowances, and £8m for withdrawal of three ships from loss-making Far East-Gulf back up services).



The Private Placing having been completed, this announcement appears as a matter of record only.

*Virgin*

## VIRGIN GROUP LIMITED

(Incorporated under the Companies Acts 1948-1980: No. 156894)

Private Placing

by

Morgan Grenfell & Co. Limited

of

25,000,000

Convertible Redeemable Preference Shares

of £1 each at par

Rowe & Pitman acted as stockbrokers to the Private Placing

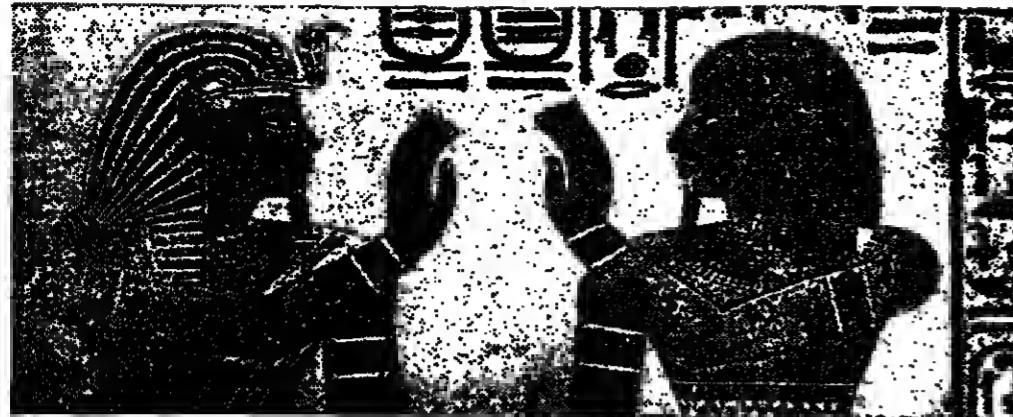
November 1985



## BUSINESS LAW

## The self-perpetuating oligarchy of the Trustee Savings Banks

By A. H. HERMANN, Legal Correspondent



ON BUSINESS IN EGYPT..

COME TO SHERATON.

Come ten minutes from the airport, to the centre of government of administration of exhibitions. Come to a superb new business centre with word-processor and 24-hour telex. Come to Cairo's oasis of relaxation - to poolsides, cabanas and bars and a dazzling array of fine foods from many lands. Come to the Heliopolis Sheraton... where Egyptian hospitality comes alive.



## Heliopolis Sheraton

Sheraton Hotels, Inns & Resorts Worldwide  
The hospitality people of ITT

For reservations and information,

call TOLL-FREE 0800-353535

IT MUST have come as a shock to the British public when it learned that a Scottish judge held that the Trustee Savings Banks (TSBs) were owned by their depositors. By turning them into a public company and selling them out, the Government would be depriving the depositors of their property rights without compensation, Lord Davidson said. Such action, we now all know, would lead to a dispute before the European Court of Human Rights in Strasbourg.

The shock was due not so much to the fact that the Government seemed to be stopped in its tracks, since this is bound to cause some people pleasure, as to the very shaky legal ground on which such an important decision was apparently based. "Are the eminent legal advisers of the Government worth their salt?" people have asked.

The case is certainly squirming in legal problems (as an old chess master with worms) but to cut a long story short, for the benefit of those who do not want to read my piece to the end, I will say right away that I do not believe that the Government's legal advisers should be deprived of their salt on the strength of this case. Indeed, there are reasons to say, as the Inner House of the Court of Session will no doubt be asked to do, that Lord Davidson's opinion did not go to the root of the matter.

As Lord Davidson says in his judgment for most of the past 160 years, the managers and trustees of the Trustee Savings Banks have been a self-perpetuating oligarchy - the same, by the way, as the managements of building societies. True, in the darkness of time the TSBs were created for the benefit of their

depositors. But so much has passed since then that they can best be described as something that belongs to nobody, resembling as the Romans used to say when they spoke about a thing which can be acquired by the first person who takes possession of it. This seems to have been the Treasury's view in the present case, and it seems to stand a good chance of having its excommunication blessed by the House of Lords.

The application before Lord Davidson asked for a judicial review of an order which the Treasury is expected to make under section 3 of the Trustee Savings Banks Act, 1885. It was brought by Mr James Matthews Ross, a retired civil servant and an account holder with the TSB Scotland for many years.

Mr Ross asked the court for five declarations, of which the most interesting one was that the TSB Scotland was an unincorporated association, the members of which were its depositors. From this it would follow that the assets were the property of the depositors and that, if the Treasury made the intended vesting order, they would be deprived of their property rights and entitlement without compensation. The fifth declaration concerned the claim that taking the property without compensation would contravene the Human Rights Convention but on this the judge did not pronounce as it is a matter for Strasbourg.

The TSBs have been a feature of the community in many parts of the British Isles since the early part of the last century. They were run as a public service by trustees, often local businessmen, landowners or clergymen. They received a statutory framework in 1817 in England and Wales, and in

1835 in Scotland. By 1860 there were over 600 TSBs. Gradually their number was reduced by amalgamation to 20 at the time of the passing of the Trustee Savings Banks Act in 1976. This, in itself, suggests that the 1976 institutions were very different, and indeed the paternalistic associations run by local clergymen, wishing to encourage thrift and

the application of the 1876 Act did not appropriate the rights of the depositors by providing for the transfer of the assets to the Central Board with the clearing banks by creating for them a Central Board acting like the headquarters organisation of any

TSB.

The 1976 Act enabled the TSBs

to compete more effectively

with the clearing banks by

giving them the same powers

as the clearing banks.

It was argued on behalf of

the Government that legislation

touched on in the judgment as it does not appear to have been agreed by the parties. While the 1863 Act provided that the interest and produce of the deposits should be returned with the remaining part of the deposits to the depositors, their executors or administrators, this must have meant all the depositors or their executors or administrators.

The provision cannot have been made for the benefit of a distant generation of depositors who, 120 years later, still carries the name of the small self-help societies.

These who deny that this provision was swept away by more recent legislation vesting the surplus in the Central Board are faced with the problem of apportioning the present assets among all the depositors who ever kept accounts with the TSBs and of tracing their successors if, of course, the claims have not expired, as well they might, because of the passage of time. The research necessary for such an operation, if at all possible, would consume a good deal of the present assets and no doubt would take many years to complete.

This is not the only situation in which the strict and literal interpretation of legislation leads to an impossible conclusion.

The law can determine the beneficiaries, but cannot ensure that it will be possible to trace the successors of those who are long gone. In such cases, the courts should strive for a solution in harmony with the public interest, as well as with those of the present depositors. The replacement of the present self-perpetuating oligarchy by a board responsible to shareholders seems to be one possible solution that satisfies this requirement.

\* Opinion of Lord Davidson in petition of James Matthews Ross against the Rt Hon Lord Cameron of Lochbroom, Her Majesty's Advocate, November 12 1985.

Something which can be acquired by the first person who takes possession. In the present case, this seems to have been the Treasury

of another major bank. The Trustee Savings Banks Act of 1883 provided that the whole or any part of the deposits and the produce thereof were to be returned to the depositors, their executors or administrators, and that no benefit should come to the trustees. However, the 1976 Act, reproduced in more recent legislation, provided that the Central Board might distribute moneys left after the closure of a particular TSB bank among the remaining TSBs as it thought fit.

The judge was not satisfied that this deprived the general body of depositors of their rights to share in the surplus assets left over after closure. He reasoned that the hand-over to the Central Board of surplus assets — which the board then could distribute to other TSBs — presupposed that the sums due to depositors had been paid to them already. This can hardly be right; if the petitioners' contention that all the surplus belongs to the depositors is correct, then nothing would have been left for handing over to the Central Board.

Much of the argument before the judge was taken up by the question of whether "produced" in the meaning of the original legislation was identical with interest. The judge accepted the argument — a convincing one — that it would hardly make sense to speak of interest and produce in one and the same thing was meant. However, this leaves open an important question: to whom fit the assets which are not produced by the depositors by the clearing banks of the TSB belong? These banking services are of the same nature as those provided by other major banks and were hardly contemplated by the founders of the small local self-help associations at the beginning of the

surplus bank closes.

There is also another consideration which was not

## FINANCIAL TIMES SCOTLAND SURVEY

December 12th 1985

For further details please contact:  
KENNETH SWAN  
on 031-226 4139  
FINANCIAL TIMES  
Europe's Business Newspaper

## NOTICE OF REDEMPTION

To the Holders of

Compañía Anónima Nacional  
Teléfonos de Venezuela

## 8 1/4% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBE GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972, providing for the above Debentures, \$740,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1985, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

## OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

01 45 55 56 60 67 71

## ALSO OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M"

BEARING THE FOLLOWING NUMBERS:

1	686	1488	3588	4368	5288	7688	9188	10588	11888	13088
28	1288	2288	3688	4688	6288	8188	9488	10888	12188	13388
32	1388	2388	3788	4788	6388	8288	9588	10988	12288	13488
38	1288	2288	3688	4688	6288	8188	9488	10888	12188	13388

1288 2288 3688 4688 6288 8188 9488 10888 12188 13388

1	686	1488	3588	4368	5288	7688	9188	10588	11888	13088
28	1288	2288	3688	4688	6288	8188	9488	10888	12188	13388
32	1388	2388	3788	4788	6388	8288	9588	10988	12288	13488
38	1288	2288	3688	4688	6288	8188	9488	10888	12188	13388

1288 2288 3688 4688 6288 8188 9488 10888 12188 13388

On December 15, 1985, the Debentures designated above will become due and payable in such case notwithstanding that the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons pertaining thereto maturing on the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Bank Meissl & Hope NV in Amsterdam; Crédit Romagnole S.p.A. in Milan and Rome and Crédit Industriel d'Alsace et de Lorraine, S.A. in Luxembourg. Payments at the office referred to in (b) above will be made by check drawn on a local account, or by transfer to a deposit account maintained by the payee with a bank in New York City. Payments at the office of any paying agent outside of the United States will be made by check drawn on a deposit account maintained by the payee with a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to a deposit account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payee does not recognize exempt recipient fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). These holders will be required to provide the correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Coupons due December 15, 1985 should be detached and collected in the usual manner.

On and after December 15, 1985 interest shall cease to accrue on the Debentures herein designated for redemption.

Compañía Anónima Nacional Teléfonos de Venezuela

Dated: November 7, 1985

## NOTICE

The following Debentures previously called for redemption have not as yet been presented for

## DEBENTURES OF \$1,000 EACH

1	3270	4468	7100	7981	9733	10261	13200	12768	13413	14406
461	3421	4473	7105	7984	9737	10265	13202	12769	13412	14403
521	3426	5213	7113	7989	9739	10270	13213	12770	13411	14401
761	3470	5213	7123	7992	9742	10273	13213	12773	13412	14402
1003	3476	5218	7136	7998	9746	10276	13213	12776	13413	14403
1013	3620	5247	7136	7998	9746	10277	13223	12777	13414	14404
1123	3615	5253	7142	8003	9750	10282	13223	12778	13415	14405
1270	3902	6133	7151	8013	9750	10282	13223	12778	13416	14406
1423	3613	5335	7165	8015	9752	10284	13223	12779	13417	14407
1425	3902	6135	7165	8015	9752	10284	13223	12779	13418	14408
1437	3533	6147	7165	8015	9753	10285	13223	12780	13419	14409
1459	2970	6170	7176	8015	9755	10286	13223	12781	13420	14410
1470	4037	6288	7180	8017	9756	10287	13223	12782	13421	14411
1471	3421	6288	7180	8017	9756	10287	13223	12782	13422	14412
1472	1123	6290	7185	8017	9756	10287	13223	12782	13423	14413
1483	4197	6303	7188	8020	9757	10288	13223	12783	13424	14414
1485	3421	6303	7188	8020	9757	10288	13223	12783	13425	14415
1486	3421	6303	7188	8020	9757	10288	13223	12783		



## **AUTHORISED UNIT TRUSTS & INSURANCES**

Financial Times Thursday November 21 1985

Financial Times Thursday November 21 1985

Scottish Life Investments 19/4 April 2000, Edinburgh		031-225 2221	Sun Life Unit Assurance Ltd 3 St James Street, Bristol BS1 5TS		0272 420000
Property	114.6		Managed Fund	100.8	357.4
UK Equity	104.0		Property Acc.	100.8	+1.3
American	14.6	+0.7	Equity Acc.	100.2	-0.6
Corporate	124.9		Fixed Interest Acc.	100.0	+1.1
Pacific	111.8	+0.6	Corporate-Listed Acc.	100.4	+1.1
International	147.4	+1.7	Cash Acc.	100.0	+1.1
Property Fund	114.9	+0.3	Corporate-Unit Acc.	100.0	+1.1
Property Landed	111.7	+0.3	Equity-Unit Acc.	100.0	+1.1
Retail Landed	99.5	+0.1	U.S. Bonds Acc.	100.0	+1.1
Retail	105.8	+0.1	Japan Acc.	100.0	+1.1
Corporate	102.9	+0.1	Pacific Acc.	100.0	+1.1
International	111.9	+0.4	Far Eastern Acc.	100.1	+1.1
Prop. Inv. Trs. Equity	109.8	+0.7	U.S. Corporate Acc.	100.7	+0.6
Prop. Inv. Trs. Bond	117.5	+1.1	U.S. Govt. Bond Acc.	100.0	+0.2
Prop. Inv. Trs. General	103.6	+1.1	Yen Acc.	100.3	+0.3
Prop. Inv. Trs. Income	104.0	+1.1	Corporate Currency Acc.	100.0	+0.2
Prop. Inv. Trs. International	101.2	+1.1	Investment	100.0	+1.2
Prop. Inv. Trs. Landed	101.5	+1.1			
Prop. Inv. Trs. Retail	102.8	+1.1			
Prop. Inv. Trs. Retail Landed	101.5	+1.1			
Prop. Inv. Trs. Retail	101.5	+1.1			
Prop. Inv. Trs. Residential	102.7	+1.1			
Scottish Mutual Assurance Society	031-265 6321		Sun Life Pensions Management Ltd	031-265 6321	
105 St Vincent St, Glasgow			Trusts for individual pensioners		
Prop Inv Fund 15	100.2		Pensions Managed Acc.	100.4	+1.1
Prop Inv Fund 30	101.1		Pensions Property Acc.	101.2	+1.0
Scottish Mutual Investments	041-265 6321		Pensions Equity Acc.	100.3	+0.8
91 St Vincent St, Glasgow			Pensions Listed Acc.	100.3	+0.8
Property Fund	107.5		Pensions Cash Acc.	100.1	+0.8
Corporate Fund	100.9		Pensions Amer. Equity Acc.	100.4	+0.7
International Fund	100.8		Pensions Amer. Bonds Acc.	100.5	+0.7
Corporate Fund	99.1		Pensions Amer. Govt Acc.	100.2	+0.7
International Fund	101.5		Pensions Pacific Acc.	101.3	+1.1
Corporate & Fund Fund	101.5		Pensions Far Eastern Acc.	100.3	+0.7
Corporate & Fund Fund	101.5		Pensions Interest Acc.	100.3	+0.7
Corporate & Fund Fund	101.5		Pensions U.S. Dollar Acc.	100.7	+0.5
Corporate & Fund Fund	101.5		Pensions Yen Acc.	101.0	+1.1
Corporate & Fund Fund	101.5		Pensions Euro Curr. Acc.	100.7	+0.7
Swiss Life Pensions Ltd	011-301 London Rd, Stevenage				
Equity					
Corporate					
International Fund					
North American Fund					
Pacific Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					
Corporate Fund					
International Fund					
North American Fund					
Safety Fund					

## **INSURANCE, OVERSEAS & MONEY FUNDS**

---

## **OFFSHORE AND OVERSEAS**

## COMMODITIES AND AGRICULTURE

## LME to consider proposal for tin market reopening on December 2

BY STEPHEN WAGSTYL AND ANDREW GOWERS

**THE AUTHORITIES** of the London Metal Exchange are to consider a proposal tomorrow to reopen the tin market on December 2, despite the failure of the International Tin Council to agree to honour its debts to traders and banks.

The ITC's 22 member governments yesterday resumed their emergency session on the tin crisis with no sign of any move to take up refinancing proposals put forward by Standard Chartered and other banks.

The meeting, which followed informal consultations between the LME, the banks and the tin council itself earlier in the week, adjourned last night until next week.

"It's not as if we've even marked time this week, we've actually taken a step back," said an LME official.

This leaves the Board and

Committee with yet another painful decision when they gather again tomorrow to consider their next move. However, it now seems highly unlikely that tin trading will be suspended on October 24 when the ITC buffer stock manager ran out of funds with which to support the market, will resume next week.

The date now being proposed by advocates of a resumption of trading is December 2, on the grounds that this is the month before that in which much of the tin for which the ITC has forward contracts is due.

However, LME officials are at pains to stress that the decision remains very much in the balance and that the Exchange's Board and Committee have not yet discussed a possible reopening date. An earlier decision to reopen the

market last Monday was postponed to give the banks and government more time.

Yesterday, the Exchange's Board and Committee confirmed their resolution to pay in £500m to back a £2.5bn refinancing package, worth a maximum of £900m. The latter figure is now said to be recognised by the ITC governments as a realistic worst-case estimate for its potential debts.

The Exchange has set up a working party, largely composed of traders with outstanding contracts with the ITC, to meet when necessary with the bank for delivery.

However, LME officials are at pains to stress that the decision remains very much in the balance and that the Exchange's Board and Committee have not yet discussed a possible reopening date. An earlier decision to reopen the

market last Monday was postponed to give the banks and government more time.

Standard Chartered is expected to meet representatives of the LME today. The bank's plan offers the ITC the money to meet its debts in return for guarantees from the council's member governments.

With the exception of Britain, none of the members has publicly expressed readiness to assume responsibility for these debts, which amount to hundreds of millions of pounds.

A variation of the proposals has been discussed, which the bank would lend directly to major tin producers and consuming countries so that they could buy the council's tin and meet its debts. But this buy-back plan has won little more support from delegates than the demand for state guarantees.

## LONDON MARKETS

**TALK THAT** this year's drought could reduce next year's Brazilian coffee crop to between 15m and 18m bags (900,000-1.2m tonnes), triggered a fresh rise in coffee futures prices on the London market yesterday. News that high prices had triggered a 1m bags increase in this quarter's export quota was generally expected but it still pushed prices lower in early trading. The current position slipped to \$1,665.70/tonne at one stage before closing at \$1,679.50/tonne the day at \$1,679.50/tonne.

The coffee market was relatively quiet but trade buying and jobber soft-covering lifted the March figure position by \$8.50 to \$1,679.50/tonne. Tales of Indian buying made for a fairly firm sugar market and nearby values added a dollar or two up on the day. The London Metal Exchange, which is very sensitive to the International Tin Council's meeting, saw higher grade copper end \$10 down on the day at \$245.50/tonne reflecting sterling's strength against the dollar.

LME prices supplied by Amalgamated Metal Trading.

## INDICES

**FINANCIAL TIMES**  
Nov 20 Nov 19 (With avg. Year ago)

— 848.45 — 826.91  
(Base: July 1 1952 = 100)

## REUTERS

Nov 20 Nov 19 (With avg. Year ago)  
1783.1 — 1787.0 1705.2 — 1957.9  
(Base: September 16 1981 = 100)

## DOW JONES

Nov 20 Nov 19 Nov 20 (With avg. Year ago)

Spot 180.85 119.89 — 186.45  
Fut. 180.41 180.10 — 186.47  
(Base: December 31 1974 = 100)

## US MARKETS

**PRECIOUS METALS** firms following reports of Middle Eastern buying from while the weaker Federal Reserve, in its latest report, held metal prices. Copper and aluminum traded in a cautious fashion reflecting deepening concerns that tin negotiations are at a standstill and hopes for a resolution are fading quickly. Sugar gained ground on buying linked to reports of damage to the Cuban can crop from hurricane Katie. A pick-up in manufacturing prices moved farm coffee sharply higher as the market responded to ITC quota increase and concentrated Brazilian crops. Cotton came generally under pressure from long liquidation linked to weakness in soybeans and first notice day no Friday. The soybean complex was steady to firm with crude firm in continued stock drawdowns. The grain complex traded mixed with wheat under pressure from profit-taking. The soybean complex weakened on indications that the Dole amendment to the Farm Bill will encourage the redemption of loans at levels less than \$3 per bushel.

**HEATING OIL** 50,000 lbs. bbls. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 82.70 — 77.25  
Low 82.10 High 86.74

Dec 87.10 87.25  
Jan 87.65 87.70  
Feb 88.30 88.35  
Mar 89.20 89.25  
April 89.70 89.75  
May 89.70 89.75  
June 89.70 89.75  
July 89.70 89.75  
August 89.70 89.75  
Sept 89.70 89.75  
Oct 89.70 89.75  
Nov 89.70 89.75  
December 89.70 89.75

**ORANGE JUICE** 10,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 123.50 — 123.50  
Low 123.50 High 123.50

Jan 114.95 114.95  
Feb 114.75 114.75  
March 113.95 113.95  
April 113.75 113.75  
May 113.50 113.50  
June 113.25 113.25  
July 113.00 113.00  
August 112.75 112.75  
September 112.50 112.50  
October 112.25 112.25  
November 112.00 112.00  
December 111.75 111.75

**PLATINUM** 50 bbls. oz. \$/pounds

Nov 20 Nov 19 (With avg. Year ago)

— 122.5 — 122.5  
Low 122.5 High 122.5

Jan 123.5 123.5  
Feb 123.5 123.5  
March 123.5 123.5  
April 123.5 123.5  
May 123.5 123.5  
June 123.5 123.5  
July 123.5 123.5  
August 123.5 123.5  
September 123.5 123.5  
October 123.5 123.5  
November 123.5 123.5  
December 123.5 123.5

**SILVER** 5,000 troy oz. cents/oz.

Nov 20 Nov 19 (With avg. Year ago)

— 617.8 — 616.9  
Low 616.9 High 616.9

Dec 620.0 620.0  
Jan 622.0 622.0  
February 623.0 623.0  
March 623.5 623.5  
April 624.0 624.0  
May 624.5 624.5  
June 625.0 625.0  
July 625.5 625.5  
August 626.0 626.0  
September 626.5 626.5  
October 627.0 627.0  
November 627.5 627.5  
December 628.0 628.0

**SUGAR** 1000 lbs. bbls. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 5.10 — 5.25  
Low 5.10 High 5.25

Jan 5.15 5.25  
February 5.14 5.25  
March 5.14 5.25  
April 5.14 5.25  
May 5.14 5.25  
June 5.14 5.25  
July 5.14 5.25  
August 5.14 5.25  
September 5.14 5.25  
October 5.14 5.25  
November 5.14 5.25  
December 5.14 5.25

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

**LIVE HOGS** 30,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 7.10 — 7.05  
Low 7.10 High 7.05

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

**LIVE HOGS** 30,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 7.10 — 7.05  
Low 7.10 High 7.05

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

**LIVE HOGS** 30,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 7.10 — 7.05  
Low 7.10 High 7.05

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

**LIVE HOGS** 30,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 7.10 — 7.05  
Low 7.10 High 7.05

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

**LIVE HOGS** 30,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 7.10 — 7.05  
Low 7.10 High 7.05

**CHICAGO**

**LIVE CATTLE** 40,000 lbs. cents/bbl

Nov 20 Nov 19 (With avg. Year ago)

— 47.17 — 47.12  
Low 47.17 High 47.12

Dec 47.35 47.35  
Jan 47.70 47.70  
February 48.00 48.00  
March 48.25 48.25  
April 48.50 48.50  
May 48.75 48.75  
June 49.00 49.00  
July 49.25 49.25  
August 49.50 49.50  
September 49.75 49.75  
October 50.00 50.00  
November 50.25 50.25  
December 50.50 50.50

Financial Times Thursday November 21 1985

## CURRENCIES, MONEY and CAPITAL MARKETS

## Revised GNP boosts dollar

The dollar rose in currency markets yesterday on higher than expected US GNP figures. The revised third-quarter growth estimate showed a rise of 4.3 per cent, some way above the previous figure of 3.3 per cent and outside market estimates. However, there was no heading rush into the dollar because the market still showed a healthy respect for central banks and the possibility of further intervention to control the dollar's rise.

In addition figures released yesterday showed US inflation as measured by the implicit price deflator as rising to a revised 2.3 per cent from 2.3 per cent previously. On a longer-term basis yesterday's GNP figures aroused some scepticism since a rise of nearly 6 per cent in the fourth quarter would be necessary in order to provide a respectable annual growth rate.

Early trading saw the dollar below DM 1.60, but there was some buying ahead of the figures and it quickly moved up from a low of DM 1.5983 to trade above DM 1.60 for much of the

day, boosted the dollar to a high of DM 1.6105.

The dollar closed at DM 1.6115 from DM 1.5985 and Yen 202.35 from 128.8.

**STERLING** — Trading range for the pound in 1985 is 1.4410 to 1.6233. October's third-quarter revisions before deciding upon any trend.

## POUND SPOT—FORWARD AGAINST POUND

Day's spread	Close	One month	%.	Three months	%.
U.S.	1.4482-1.4505	1.4482-1.4505	0.44-0.46c pm.	3.62 1.25-1.26pm	3.42
Canada	1.3715-1.3787	1.3715-1.3787	0.71-0.74c pm.	1.90 0.70-0.74pm	1.86
Netherlands	4.181-4.224	4.201-4.211	21-1/2c pm	5.71 0.55pm	5.65
Belgium	70.15-75.71	70.15-75.71	24-1/2c pm	3.34 85-85pm	3.30
Denmark	1.2025-1.2115	1.2025-1.2115	0.07-0.08c pm	2.28 87-87pm	2.23
Ireland	1.2025-1.2115	1.2025-1.2115	0.07-0.08c pm	2.28 87-87pm	2.23
W. Germany	3.722-3.744	3.723-3.745	23-1/2c pm	7.02 61-61pm	6.95
Portugal	2.2115-2.2235	2.2124-2.2235	148-149c dia	15.02 590-1285d	15.02
Italy	1.2125-1.2225	1.2125-1.2225	2-1/2c dia	1.25 1.25-1.25d	1.25
Norway	11.20-11.25	11.20-11.25	1-1/2c dia	0.80 2-2d	0.75
Sweden	11.20-11.25	11.20-11.25	2-1/2c pm	2.31 65-65pm	2.26
Japan	200.80-202.85	201.20-202.85	0.57-0.60pm	3.61 2.78-2.87pm	3.52
Austria	20.21-20.28	20.21-20.28	131-142c pm	0.01 27-33pm	5.42
Switzerland	20.21-20.28	20.21-20.28	24-26c pm	0.88 57-57pm	5.32
Belgian rate is for convertible francs. Financial franc 52.85-53.05. Six-month forward dollar 2.28-2.31c pm. 12-month 3.00-3.05c pm.					

## DOLLAR SPOT — FORWARD AGAINST DOLLAR

Day's spread	Close	One month	%.	Three months	%.
UK	1.4225-1.4285	1.4225-1.4285	0.44-0.46c pm.	3.62 1.25-1.26pm	3.42
Ireland	1.1810-1.1842	1.1810-1.1842	0.30-0.32c pm.	1.90 0.70-0.74pm	1.86
Canada	2.3105-2.3480	2.3205-2.3480	0.71-0.74c pm	5.71 0.55pm	5.65
Belgium	52.62-52.85	52.62-52.70	1-1/2c dia	0.40 4-5d	0.35
Denmark	9.27-9.465	9.27-9.465	1-1/2c dia	0.35 21-21d	0.30
Portugal	1621-1641	1621-1641	0.07-0.08pm	2.28 1.25-1.25d	1.25
Spain	159.80-160.80	160.20-160.80	180-200c pm	18.40 520-1100d	18.25
Italy	1.7621-1.7671	1.7621-1.7671	10-11c dia	7.75 245-250d	7.75
Norway	7.39-7.574	7.39-7.574	0.02-0.03pm	7.28 1.25-1.25d	1.25
Sweden	7.80-7.85	7.84-7.85	3-3c dia	4.28 9-9pm	4.28
Japan	262.80-264.10	263.30-264.10	0.02p-0.07pm	0.03 0.13-0.08pm	0.13
Austria	20.21-20.28	20.21-20.28	18-19c pm	2.28 1.25-1.25d	1.25
Switzerland	2.1225-2.1235	2.1225-2.1235	0.02-0.03pm	2.28 1.25-1.25d	1.25
Belgian rate is for convertible francs. Financial franc 52.85-53.05. Six-month forward dollar 2.28-2.31c pm. 12-month 3.00-3.05c pm.					

## EXCHANGE CROSS RATES

Nov. 20	£	U.S. \$	DM	YEN	FR. F	YEN	U.S. \$	DM	£
U.S.	1.4225	2.28	202.35	114.21	7.00	1.4482	2.28	202.35	1.4225
£	0.6085	1.1	2.612	202.35	7.00	0.6250	1.1	2.612	0.6085
DM	2.28	1.4225	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
YEN	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
FR. F	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
£/DM	0.6085	1.1	2.612	1.1	2.612	0.6250	1.1	2.612	0.6085
£/YEN	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
FR. F/YEN	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
DM/YEN	2.28	1.4225	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
DM/FR. F	1.4225	2.28	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
FR. F/DM	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
YEN/FR. F	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
YEN/DM	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
FR. F/DM	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
FR. F/YEN	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
DM/YEN	2.28	1.4225	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
DM/FR. F	1.4225	2.28	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
FR. F/DM	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
FR. F/YEN	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
YEN/DM	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
YEN/FR. F	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
DM/FR. F	1.4225	2.28	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
DM/YEN	2.28	1.4225	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
FR. F/YEN	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
FR. F/DM	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
YEN/FR. F	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
YEN/DM	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
DM/FR. F	1.4225	2.28	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
FR. F/DM	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
FR. F/YEN	0.8777	2.857	2.851	10.03	1.0691	0.6557	1.730	66.14	0.8777
YEN/DM	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
YEN/FR. F	2.4531	4.616	11.20	10.03	14.63	0.6557	5.705	10.03	2.4531
DM/FR. F	1.4225	2.28	1.1	77.65	0.0480	1.4482	1.1	0.6085	2.28
FR. F/DM	0.8777	2.857	2.851	10					



Financial Times Thursday November 21 1985

## INDUSTRIALS—Continued

1985	High	Low	Stock	Price	1985	High	Low	Stock	Price	1985	High	Low	Stock	Price
Low	Ctrd	PE	High	Low	1985	High	Low	Stock	Price	1985	High	Low	Stock	Price
56	24	22	11	11.75	23	35.19	12	105	23	7.1	8.0	248	Krytox 100	1.25
56	25	22	22	2.5	30	4.07	22	225	125	1.2	1.1	249	Japan Japan 100	1.25
56	26	22	10	10	105	1.89	10	105	105	1.2	1.1	250	Japan Premier	1.25
56	27	22	11	11	105	1.89	10	105	105	1.2	1.1	251	Japan Ind 500	1.25
56	28	22	11	11	105	1.89	10	105	105	1.2	1.1	252	Japan Ind 100	1.25
56	29	22	11	11	105	1.89	10	105	105	1.2	1.1	253	Japan Ind 200	1.25
56	30	22	11	11	105	1.89	10	105	105	1.2	1.1	254	Japan Ind 500	1.25
56	31	22	11	11	105	1.89	10	105	105	1.2	1.1	255	Japan Ind 100	1.25
56	32	22	11	11	105	1.89	10	105	105	1.2	1.1	256	Japan Ind 200	1.25
56	33	22	11	11	105	1.89	10	105	105	1.2	1.1	257	Japan Ind 500	1.25
56	34	22	11	11	105	1.89	10	105	105	1.2	1.1	258	Japan Ind 100	1.25
56	35	22	11	11	105	1.89	10	105	105	1.2	1.1	259	Japan Ind 200	1.25
56	36	22	11	11	105	1.89	10	105	105	1.2	1.1	260	Japan Ind 500	1.25
56	37	22	11	11	105	1.89	10	105	105	1.2	1.1	261	Japan Ind 100	1.25
56	38	22	11	11	105	1.89	10	105	105	1.2	1.1	262	Japan Ind 200	1.25
56	39	22	11	11	105	1.89	10	105	105	1.2	1.1	263	Japan Ind 500	1.25
56	40	22	11	11	105	1.89	10	105	105	1.2	1.1	264	Japan Ind 100	1.25
56	41	22	11	11	105	1.89	10	105	105	1.2	1.1	265	Japan Ind 200	1.25
56	42	22	11	11	105	1.89	10	105	105	1.2	1.1	266	Japan Ind 500	1.25
56	43	22	11	11	105	1.89	10	105	105	1.2	1.1	267	Japan Ind 100	1.25
56	44	22	11	11	105	1.89	10	105	105	1.2	1.1	268	Japan Ind 200	1.25
56	45	22	11	11	105	1.89	10	105	105	1.2	1.1	269	Japan Ind 500	1.25
56	46	22	11	11	105	1.89	10	105	105	1.2	1.1	270	Japan Ind 100	1.25
56	47	22	11	11	105	1.89	10	105	105	1.2	1.1	271	Japan Ind 200	1.25
56	48	22	11	11	105	1.89	10	105	105	1.2	1.1	272	Japan Ind 500	1.25
56	49	22	11	11	105	1.89	10	105	105	1.2	1.1	273	Japan Ind 100	1.25
56	50	22	11	11	105	1.89	10	105	105	1.2	1.1	274	Japan Ind 200	1.25
56	51	22	11	11	105	1.89	10	105	105	1.2	1.1	275	Japan Ind 500	1.25
56	52	22	11	11	105	1.89	10	105	105	1.2	1.1	276	Japan Ind 100	1.25
56	53	22	11	11	105	1.89	10	105	105	1.2	1.1	277	Japan Ind 200	1.25
56	54	22	11	11	105	1.89	10	105	105	1.2	1.1	278	Japan Ind 500	1.25
56	55	22	11	11	105	1.89	10	105	105	1.2	1.1	279	Japan Ind 100	1.25
56	56	22	11	11	105	1.89	10	105	105	1.2	1.1	280	Japan Ind 200	1.25
56	57	22	11	11	105	1.89	10	105	105	1.2	1.1	281	Japan Ind 500	1.25
56	58	22	11	11	105	1.89	10	105	105	1.2	1.1	282	Japan Ind 100	1.25
56	59	22	11	11	105	1.89	10	105	105	1.2	1.1	283	Japan Ind 200	1.25
56	60	22	11	11	105	1.89	10	105	105	1.2	1.1	284	Japan Ind 500	1.25
56	61	22	11	11	105	1.89	10	105	105	1.2	1.1	285	Japan Ind 100	1.25
56	62	22	11	11	105	1.89	10	105	105	1.2	1.1	286	Japan Ind 200	1.25
56	63	22	11	11	105	1.89	10	105	105	1.2	1.1	287	Japan Ind 500	1.25
56	64	22	11	11	105	1.89	10	105	105	1.2	1.1	288	Japan Ind 100	1.25
56	65	22	11	11	105	1.89	10	105	105	1.2	1.1	289	Japan Ind 200	1.25
56	66	22	11	11	105	1.89	10	105	105	1.2	1.1	290	Japan Ind 500	1.25
56	67	22	11	11	105	1.89	10	105	105	1.2	1.1	291	Japan Ind 100	1.25
56	68	22	11	11	105	1.89	10	105	105	1.2	1.1	292	Japan Ind 200	1.25
56	69	22	11	11	105	1.89	10	105	105	1.2	1.1	293	Japan Ind 500	1.25
56	70	22	11	11	105	1.89	10	105	105	1.2	1.1	294	Japan Ind 100	1.25
56	71	22	11	11	105	1.89	10	105	105	1.2	1.1	295	Japan Ind 200	1.25
56	72	22	11	11	105	1.89	10	105	105	1.2	1.1	296	Japan Ind 500	1.25
56	73	22	11	11	105	1.89	10	105	105	1.2	1.1	297	Japan Ind 100	1.25
56	74	22	11	11	105	1.89	10	105	105	1.2	1.1	298	Japan Ind 200	1.25
56	75	22	11	11	105	1.89	10	105	105	1.2	1.1	299	Japan Ind 500	1.25
56	76	22	11	11	105	1.89	10	105	105	1.2	1.1	300	Japan Ind 100	1.25
56	77	22	11	11	105	1.89	10	105	105	1.2	1.1	301	Japan Ind 200	1.25
56	78	22	11	11	105	1.89	10	105	105	1.2	1.1	302	Japan Ind 500	1.25
56	79	22	11	11	105	1.89	10	105	105	1.2	1.1	303	Japan Ind 100	1.25
56	80	22	11	11	105	1.89	10	105	105	1.2	1.1	304	Japan Ind 200	1.25
56	81	22	11	11</										





## **NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES**

Continued on Page 4

Financial Times Thursday November 21 1985 22

November 21, 1955 22

**NYSE COMPOSITE CLOSING PRICES**

**Continued from Page 42**

## **AMEX COMPOSITE CLOSING PRICES**

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest closing day. When a split or stock dividend amounting to 25 cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise stated, rates of dividends are annual disbursements based on latest declaration.

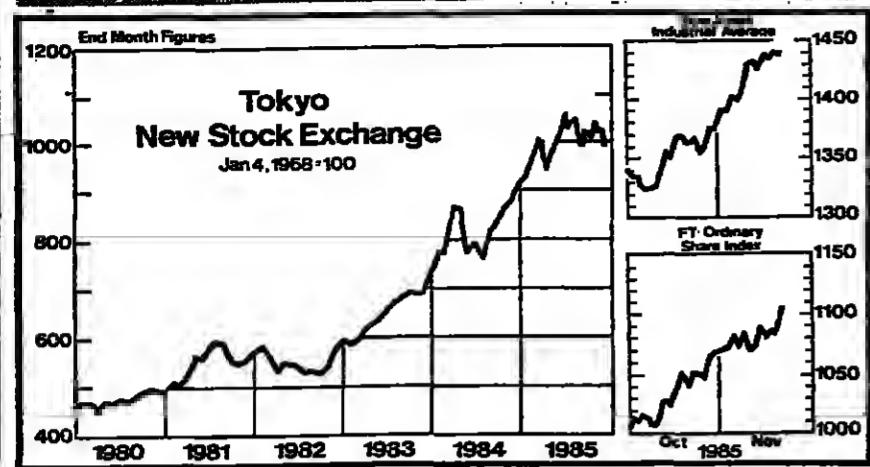
i-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. Dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the last 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-a stock split. Dividends begins with date of split. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-yearly high. v-trading halted. w-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. wr-with warrants. x-ex-dividend or ex-rights distribution. y-yield without consideration of capital gains.

Continued on Page 41

# FINANCIAL TIMES

## WORLD STOCK MARKETS

### KEY MARKET MONITORS



STOCK MARKET INDICES			
NEW YORK	Nov 20	Previous	Year ago
DJ Industrials	1,438.22	1,438.99	1,195.12
DJ Transport	685.74	683.52	520.30
DJ Utilities	164.50	165.21	143.26
S&P Composite	198.99	198.67	164.18

COMMODITIES			
(London)	Nov 20	Prev	Prev
Silver (spot fixing)	428.90p	426.65p	
Copper (cash)	£345.50	£355.50	
Coffee (Jan)	£1,922.50	£1,883.20	
Oil (spot Arabian Light)	£27.925	£27.90	

CURRENCIES			
U.S. DOLLAR	Nov 20	Prev	Prev
STERLING	Nov 20	Prev	Prev
S	1.4305	1.426	
DM	2.9115	2.9065	3.7425
Yen	203.35	203.0	291.5
FF	7.8575	7.9175	11.4075
Fr	2.141	2.1275	3.07
Guilder	2.936	2.925	4.2075
Lira	1,760.5	1,755.0	2,522.5
BF	52.65	52.45	75.45
CS	1.377	1.375	1.973

INTEREST RATES			
Euro-currencies	Nov 20	Prev	
(3-month offered rate)			
£	11%	11%	
SF	4	4	
DM	4%	4%	
FF	5%	5%	
FT London Interbank fixing (offered rate)			
3-month U.S.S	8%	8%	
6-month U.S.S	8%	8%	
U.S. 3-month CDs	7.75	7.7	
U.S. 3-month T-bills	7.18	7.24	

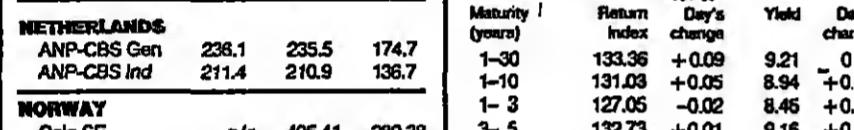
U.S BONDS				
Treasury	Nov 20	Prev		
Price	Yield	Price	Yield	
8% 1987	100%	9.54	100%	9.497
9% 1992	101%	9.53	101%	9.533
10% 1995	104%	9.71	104%	9.715
10% 2015	105%	10.00	105%	10.009

TREASURY INDEX			
Maturity / (years)	Return / Index	Day's change	Yield / Day's change
1-30	133.36	+0.09	9.21 - 0
1-10	131.03	+0.05	8.94 + 0.01
1- 3	127.05	-0.02	8.48 + 0.02
3- 5	132.73	+0.01	9.18 + 0.01
15-30	141.65	+0.24	10.17 + 0.02

U.S BONDS				
Treasury	Nov 20	Prev		
Price	Yield	Price	Yield	
8% 1987	100%	9.54	100%	9.497
9% 1992	101%	9.53	101%	9.533
10% 1995	104%	9.71	104%	9.715
10% 2015	105%	10.00	105%	10.009

GOLD (per ounce)			
London	Nov 20	Prev	
	\$325.75	\$324.50	
Zürich	\$326.00	\$324.70	
Paris (fwdng)	\$327.70	\$325.80	
Luxembourg	\$325.80	\$324.25	
New York (Dec)	\$326.80	\$324.70	

FINANCIAL FUTURES			
CHICAGO	Latest	High	Low
U.S. Treasury Bonds (CBT)	Prev		
5% 32nds of 100%			
Dec	81-00	81-03	80-18
U.S. Treasury Bills (MMB)	Prev		
51m points of 100%			
Dec	92.95	93.00	92.89
Certificates of Deposit (MMB)	Prev		
51m points of 100%			
Dec	92.29	92.36	92.25
LONDON	Prev		
Three-month Eurodollar	Prev		
51m points of 100%			
Dec	92.02	92.10	91.98
20-year National Gilt	Prev		
£50,000 32nds of 100%			
Dec	111-23	112-02	111-18
Source: Salomon Bros	112-01		



### WALL STREET

## Revision of GNP data finds favour

THE COMMERCE Department's report on GNP growth and inflation found a favourable reception on Wall Street yesterday, writes Terry Byland in New York.

The stock market continued to consolidate at peak levels, and bond prices quickly recovered early falls.

Federal funds edged up to 8 per cent from an initial 7½ per cent, after the Fed again drained reserves, this time with overnight matched sales when the rate touched 7½ per cent.

Dr William Griggs, of Griggs and Santow, the credit market specialists, commented that this week's market action by the Fed "does not represent policy", but rather a response to technical difficulties connected with banking settlement. The Fed is believed to be maintaining its relaxed stance on credit.

Bonds opened half a point down, but rallied on the Commerce Department's revised estimates. Wall Street regarded the revision in GNP growth and price deflator as distorted by special factors, and believed that inflation remains low and economic growth moderate.

The stock market opened five points up and then settled back in busy trading. After fluctuating around overnight levels, the Dow Jones industrial average ended a net 0.23 points up at 1438.22, on turnover of 106m shares. The overall picture remained mixed, with many second line issues showing little change.

Wall Street's takeover specialists were given substantial cause for thought by the latest developments involving Texaco and Household International.

There was huge turnover in Texaco, another \$1½ off at \$34.44, on the court ruling that the oil company should pay \$10.5m to Pennzoil over the Getty Oil acquisition dispute. Pennzoil edged up by \$4 to \$58.60 also heavily traded, as investors awaited the outcome of Texaco's appeal.

Stocks in Household International dipped sharply after a Delaware court upheld the board's poison pill proposals, which reduce the company's attractions as a bid target. At \$39, Household's stock was 5½ off on the court move, which has implications for about 40 US companies also planning takeover de-

fences. IBM continued to trade at its recently established peak level, adding 5½ to \$138. Digital Equipment, number two to IBM, gained 5½ to \$116.75, but other computer issues were mixed.

Japanese stocks responded vigorously to strength in Tokyo markets, and to indications that Japan would shortly announce a pricing agreement with US on semiconductors, which would reduce competitive pressures on both countries.

Matsushita gained 5½ to \$57.45, Hitachi 5½ to \$53.75, and Honda 5½ to \$57.50 - all traded in ADR form.

But US semiconductor issues, which have led the market in recent sessions, turned easier. At \$34.44, Motorola added 5½ to \$34.44, and National Semiconductor shed 5½ to \$12.15.

Also sliding were the Detroit car stocks which responded strongly last week to Ford's plans to buy in 15 per cent of the equity.

Ford fell 5½ to \$53.75 and Chrysler 5½ to \$43.75. At \$70.75, General Motors held unchanged but the class H stock, to be issued as part of the \$5bn Hughes Aircraft acquisition, fell \$2 to \$44 in pre-issue trading. Some analysts suggest that the new H stock of GM is overvalued.

Valeo firmed in a parking performance with a FF 18.50 rise to FF 322 while Valeureux in metals firmed FF 11 to FF 173. Profit-takers mopped foods and electronics, with a FF 15 drop to FF 260 for Berger and a FF 61 decline for FF 1,399 for CIT-Alcatel.

Stronger utility and electrical holding issues gave Brussels the impetus to move to a fresh high with a 28.18 advance in the Stock Exchange Index to 2,847.28. Hopes of lower domestic interest rates triggered the buying.

The bond market remained confident as it prepared for its major test of nerve, which comes with today's auction of \$7bn ten year and Friday's sale of \$6.75bn in 20 year Treasury securities.

### Zurich



### EUROPE

## Momentum maintained at peaks

THE DASH to fresh peaks on the European bourses became contagious yesterday as no fewer than six centres managed record-breaking sessions.

Despite the closure of the Frankfurt bourse - the largest of the continental centres - market activity remained at high levels.

Domestic and foreign